

**General Electric Company**  
Annual Report 1984

AR26





# Financial Highlights

(Dollar amounts in millions; per-share amounts in dollars)

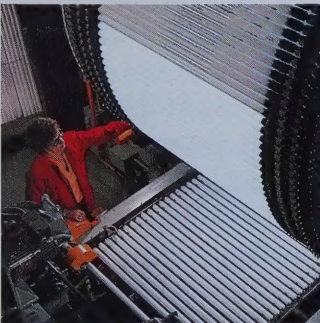
	1984	1983	Percent increase
<b>For the year</b>			
Sales	\$ 27,947	\$ 26,797	4%
Net earnings	2,280	2,024	13
<b>Per share</b>			
Net earnings	\$ 5.03	\$ 4.45	13%
Dividends declared	2.05	1.875	9
Market price range	59 <sup>3</sup> / <sub>8</sub> -48 <sup>1</sup> / <sub>4</sub>	58 <sup>7</sup> / <sub>8</sub> -45 <sup>3</sup> / <sub>8</sub>	
<b>At year end</b>			
Total capital invested	\$ 14,502	\$ 13,369	8%
Share owners' equity	12,573	11,270	12
<b>Measurements</b>			
Operating margin as a percentage of sales	10.2%	9.5%	
Earnings as a percentage of:			
Sales	8.2	7.6	
Average share owners' equity	19.1	18.9	
Return on average total capital invested	17.9	17.5	
Borrowings as a percentage of total capital	12.4	14.4	

All share data in this report reflect the 2-for-1 stock split in April 1983.



*"Across your Company, a strategy has been formulated, with a clear focus on our key businesses and where they're going. The resources are in place to get them there. And most important, an atmosphere, a culture, is being created where concepts like agility, excellence and entrepreneurship — the real stuff of world competitiveness — are coming to life."*

#### **Core Businesses**



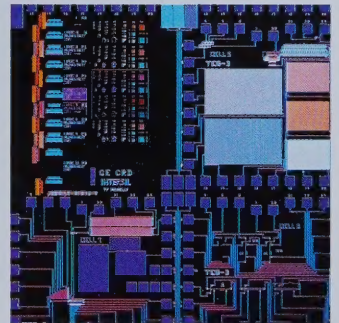
#### **High-Technology Businesses**



#### **Services Businesses**



#### **Support Operations**



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## To Our Share Owners

As we sat down to write this letter, we looked back on what we said a year ago. The numbers have changed, in large part because 1984 was another good year for General Electric, but the direction of your Company — its programs, its dreams, its ambitions — hasn't changed. And rather than write a new letter, with a new theme, we chose to take the same letter and update the results and the outlook.

**Strategy evolution:** Over the past four years, in this discussion of our strategy, we've talked about accelerated technological and market change in an era of slower worldwide growth and greatly intensified competition. In such an environment, a company — and its businesses — must change faster than the world around it. Winners and losers are clearly more definable; you are either the very best at what you do, or you don't do it for very long. That's why General Electric formulated a strategy to become the most competitive enterprise in the world by

being number one or number two in market share in every business we are in.

This strategy has evolved to where we are focusing on being number one or two in 15 critical businesses which we've grouped into three circles: high technology, services and our leadership core businesses. Outside the circles are three businesses (semiconductor, Ladd Petroleum and the General Electric Trading Company) that provide support to the businesses within the circles. Outside, as well, are other businesses: Some have performed marginally; some are in low-growth markets; others are simply a poor strategic fit with the Company. For these other businesses, we have a fix, sell or close strategy.

Each of GE's six core businesses (lighting, major appliance, motor, turbine, transportation, construction equipment) is large, is profitable and has strong market leadership. Our challenge is, through reinvestment in productivity



Chairman and Chief Executive Officer John F. Welch, Jr. (left) and Vice Chairmen and Executive Officers Edward E. Hood, Jr. (center) and Lawrence A. Bossidy (right) form General Electric's Corporate Executive Office.



and quality, to be sure this same statement can be made a decade from now. Over the four-year period, 1981-1984, we spent about \$2 billion to rebuild, modernize and reconceptualize these attractive, enduring businesses. The payoff from this investment is apparent. Over the past two years, these businesses, as a group, had a 39% earnings increase.

In GE's large, high-tech businesses (medical systems, aircraft engine, aerospace, materials, industrial electronics), our strategy is to make certain these businesses stay on the leading edge through a combination of synergistic acquisitions and substantial investments in research and development. R&D expense in these five businesses increased 42% in the past two years, some five times the two-year inflation rate.

In our services businesses (financial services, construction and engineering, nuclear services, information services), our strategy is to grow these opportunities by adding outstanding people, who often can create new ventures all by themselves, and by making contiguous acquisitions. In 1984, we made acquisitions and other investments in services of approximately \$1.3 billion.

The three elements are interrelated. Our core businesses need the most advanced process technology and strong service offerings to improve their leading positions. Similarly, in high technology, where customers are seeking not just products, but solutions to problems, the linkage with services is key to higher earnings growth. And, to be competitive, our services businesses must use the latest technologies.

With our strategy focused on these three critical pieces of our Company, there emerges this snapshot of General Electric: In 1980, the core represented 40% of Company earnings; by the end of 1984, even though it grew significantly, the core represented 34% of Company earnings. GE's high-technology piece grew from 25% to 31%. And services grew from 21% to 24%.

**In 1984, we supported our strategy** with record expenditures for plant and equipment totaling \$2.5 billion, an increase of 45%. In addi-

tion, expenditures for research and development were a record \$2.3 billion, an increase of about \$200 million. The GE-funded portion of this R&D was up 13% over 1983.

This spending for the future came on top of significant earnings growth. Following 1983's earnings increase of 11%, GE continued to achieve strong gains in 1984. Earnings of \$2.280 billion — \$5.03 per share — were 13% ahead of 1983. Sales of \$27.95 billion were up 4%. When the sales figure is adjusted to reflect the 1984 disposition of our housewares business and most of our natural resources business, sales were up 10%. Our operating margin rose to a record 10.2% of sales, compared with 9.5% in 1983, as productivity investments in our core businesses produced the intended leverage.

Some of our 18 key businesses did better than we anticipated in 1984, some did about what we expected, and some didn't quite measure up to our expectations. Major appliance, lighting, aircraft engine, aerospace, financial services, materials and semiconductor performed well beyond our expectations. Turbine, motor, construction equipment, medical systems, nuclear, information services, Ladd Petroleum and the trading company were about on plan.

We also suffered three disappointments. In transportation, the market didn't grow as rapidly as we had expected as customer productivity and lower demand reduced the need for domestic locomotive purchases — a market miss. In industrial electronics, the increased acceptance of our electronic product offerings and record sales were not translated into earnings — a management execution miss. And finally, in construction and engineering services, the weakened economies in the Middle East and Latin America resulted in dramatically lower earnings in 1984 — a market and management miss on the international scene.

**New business development**, consistent with our strategy, was stepped up in 1984. Among the highlights were:

- The \$1.1 billion acquisition by our financial services business of Employers Reinsurance



Corporation, which is already proving itself an excellent fit with our financial services strategy.

- Two innovative partnerships — with Unger-mann Bass in networking and Coherent, Inc. in lasers — that complement and advance our strategy in industrial electronics.
- A new ceramics business, still in its infancy, but with a chance of playing a big role in an estimated billion-dollar electronics packaging market in the 1990s.
- The graphics processor venture — a highly leveraged means of substituting silicon for software in image generation that could provide a key advantage to our aerospace and computer-aided design businesses.
- A new affiliate, General Electric (USA) China Company Ltd., designed to serve as the focal point for all GE business activities with the People's Republic of China. These activities have increased markedly and now involve the aircraft engine, plastics, motor, drive systems, transportation and power generation businesses. The 1984 highlight was the shipment, on schedule, of 220 locomotives ordered in late 1983.
- The commitment of more than \$600 million to expand plastics production facilities around the world. In the wake of strong sales and high market enthusiasm for 1982's introduction of Ultem®, 1984 saw the introduction of Lomod® resin, our first entry into the market for thermoplastic elastomers. 1984 also saw the opening of a \$25 million Plastics Technology Center in Pittsfield, Mass., designed to increase our customers' role in applications development and test processes.
- New orders for commercial aircraft engines, in combination with strong military orders, that will raise the backlog in the aircraft engine business to \$8 billion by the end of 1985.

**We continued our drive in 1984** to divest those businesses throughout the Company that, while good businesses in themselves, don't fit our strategy.

We completed the sale of our natural resources subsidiary, Utah International Inc., to

The Broken Hill Proprietary Company Ltd. of Australia; the sale of our housewares business to Black & Decker; and the sale of Family Financial Services, a second-mortgage subsidiary of General Electric Credit Corporation (GECC), to the Philadelphia Saving Fund Society. In total, these three transactions were valued at \$3.3 billion.

These dispositions reflect our strategy to focus GE's unique technological, financial and managerial strengths in our 18 key businesses where we believe we can add the most value. The evolution of this strategy has led us to complete 152 additional dispositions totaling more than \$1.6 billion over the 1981-1984 period.

The cash from dispositions has given us the flexibility to fund what we've wanted to do internally — new business activities, quality and productivity investments, record amounts of research and development, and new plant and equipment. It has also allowed us to spend more than \$1.4 billion, in 1984 alone, on 52 acquisitions, joint ventures and other equity investments, including Employers Reinsurance.

**Looking at 1985:** With the 2½% to 3½% real GNP growth we see for 1985, we expect our earnings growth to come mainly from nine Company businesses: lighting and construction equipment, from margin expansion; materials, from increased market penetration; aerospace, aircraft engine, and nuclear fuel and services,



**General Electric's largest acquisition during 1984 was the \$1.1 billion cash purchase of Employers Reinsurance Corporation. ERC, with headquarters**

**(above) in Overland Park, Kan., is one of the three largest property and casualty reinsurance companies in the United States.**



from increased backlogs; industrial electronics and construction and engineering, from volume increases being translated into profitable growth; and financial services, from continued asset growth.

On the international trade front, we'd like to think a turnaround is likely, but the past three years have cautioned us against anticipating a more trade-competitive dollar. Instead, we accept the reality that we're going to have to do more ourselves: We're going to have to cut costs; do more offshore sourcing and make more offshore investment; enter creative alliances and joint ventures; and step up our marketing efforts to be more competitive in international markets.

Beyond 1985, the macro issues are:

(1) Will the government face up to the federal budget deficit? While there is disagreement over the extent to which the current high real interest rates are due to the U.S. budget deficits, there is a strong presumption that interest rates would be lower — and the dollar would be more trade-competitive — if the outlook for reducing deficits were improved.

(2) Will America continue to reinvest in productivity-enhancing technology so as to enjoy what we have called a "quality recovery" — one with sustainable, long-term gains in productivity and real income? Increased foreign competition makes it critical for U.S. companies to have the most productive, internationally competitive factories conceivable.

**Competitiveness, jobs and taxes:** Over the past several years, the Congress has enacted a series of incentives to direct badly needed investment capital into America's aging factories and to improve the worldwide competitiveness of American corporations. These incentives permit your Company and others to defer or reduce their federal income tax payments when they invest in new plant and equipment.

In the past four years alone, these incentives helped GE invest a total of \$18 billion in our own factories and — through GECC's leasing activities — in new equipment for other companies. This investment created or preserved more than

**Increased research and development expenditures are enabling GE to continue enhancing its technological strength in electronics, energy, materials and many other fields. For example, this silicon molecular beam epitaxy system, valued at nearly \$1 million, is one of the newest tools of research. It is allowing scientists at the Company's R&D Center in Schenectady, N.Y., to create unique microelectronic structures and devices that feature very high operating speeds and other desirable characteristics.**



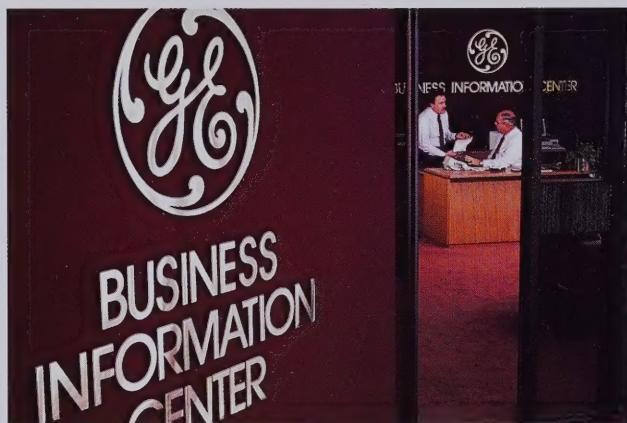
250,000 jobs, many of them in small and medium-sized businesses. In the nation as a whole, the rate of growth of spending on new plant and equipment in this economic recovery has been more than double that of previous cycles — an indication these capital formation incentives are working.

Now these incentives are in jeopardy — and there is uninformed criticism of companies, such as GE, that are said to have "avoided" the payment of federal income taxes. We don't welcome this misrepresentation. We are proud of the capital investments which have made us and the companies we have helped finance more competitive. The jobs created or sustained by these investments have made a contribution to the nation's economic recovery.

During the congressional debate on tax reform, we will describe America's critical capital investment need and emphasize the major role capital-formation incentives have played in increasing the worldwide competitiveness of U.S. corporations.

**Company culture:** As we said a year ago, successfully implementing a strategy to become the world's most competitive enterprise demands a special company culture — one that's strongly cohesive, fostering a high level of understanding of what General Electric is trying to





**GE began a major business-to-business marketing campaign in 1984 that included the opening of the Business Information Center (above). Staffed by**

**Company experts, the Center helps make GE more accessible and responsive to businesses looking for commercial or industrial products and services.**

do and be. We are advancing a culture that has a sense of urgency, that demands the very best and that emphasizes how crucial an individual's contribution can be to the success of our enterprise.

The challenge for us, as indeed for many companies as this recovery continues, is to emerge more competitive at the end of the cycle than we were at the beginning. The competitive values — easy to hone in a recession — must become a way of life, sustainable over decades.

At GE, we're driving to be lean and agile, to move faster, to pare away bureaucracy. We're subjecting every activity, every function, to the most rigorous review, distinguishing between those things which we absolutely need to do and know versus those which would be merely nice to do and know.

But while we challenge and shrink the non-essentials in our Company, our main goal is to expand — expand the climate for excellence, to create an atmosphere where more and more people do what even they thought they couldn't do.

Excellence means rewarding those who win, and rewarding those who try — the fuel for entrepreneurship in a large company. Nurturing entrepreneurship at GE means expunging the punitive aspects of failure from the good try and, instead, focusing on rewards for those willing to dream, to reach, to dare.

Nowhere in our Company has this spirit, this culture, been more vivid than in some of our most beleaguered businesses. We learned something about our culture in 1984, and we learned it from our "other" businesses — the ones outside our 18 key businesses.

These businesses have been under an intense internal spotlight. And as their futures are continually scrutinized, we have marveled at the truly heroic efforts of the GE people in them — at their ability to communicate with each other and their communities, at their ability to gain understanding and support for the reality of their competitive position.

These men and women have shown us how to create a spirit of can-do and agility in difficult atmospheres where the reality of the marketplace causes the competitive juices to flow at a rate difficult to achieve in some of our larger, more successful businesses. Our challenge is to create this same heightened sense of urgency and candor throughout General Electric.

Across your Company, a strategy has been formulated, with a clear focus on our key businesses and where they're going. The resources are in place to get them there. And most important, an atmosphere, a culture, is being created where concepts like agility, excellence and entrepreneurship — the real stuff of world competitiveness — are coming to life.

John F. Welch, Jr.  
Chairman and  
Chief Executive Officer

Lawrence A. Bossidy  
Vice Chairman and  
Executive Officer

Edward E. Hood, Jr.  
Vice Chairman and  
Executive Officer

February 15, 1985



## **Strategic Businesses**

General Electric has identified 15 major businesses that are leaders in their markets today and that represent GE's best opportunities to remain a world leader in the 1990s. We have grouped these businesses into three circles — core, high technology and services — and surrounded them with three support operations that are helping our 15 major businesses in their drive for continuing world leadership.

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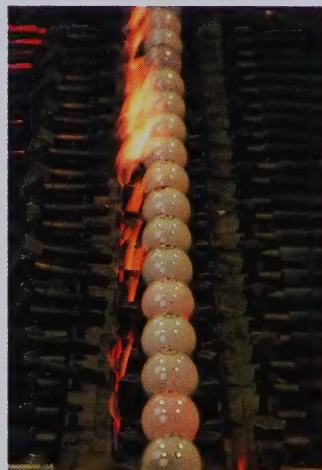
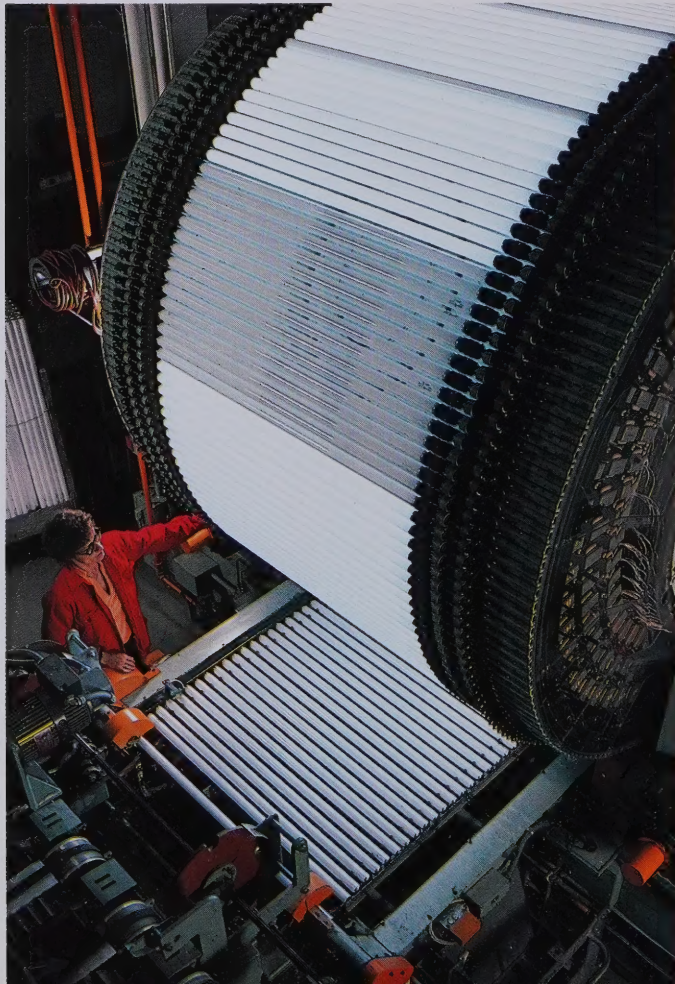
## Core Businesses

Each of GE's six core businesses — lighting, major appliance, motor, turbine, transportation, construction equipment — is large, is profitable and has strong market leadership. Our challenge is, through reinvestment in productivity and quality, to be sure this same statement can be made a decade from now.

### Lighting

The largest manufacturer of lighting products in the United States, GE produced more than a billion light bulbs in 1984. The Company is strengthening its lighting leadership position through a \$250 million investment program that includes plant rationalizations and a new generation of manufacturing equipment. For example, high-speed horizontal equipment (below, left) that started up in Bucyrus, Ohio, during the year will double the number of fluorescent lamps produced per hour. In Winchester, Va., another revolutionary

manufacturing system, called PRO 80, began operating in 1984. The PRO 80 system (partially shown below, right) will more than double the output of incandescent lamps produced by previous GE lampmaking equipment. These processes are designed to help lighting remain one of GE's most profitable core businesses. Lighting is also using its technological expertise in quartz and ceramics to focus on specific high-growth segments of the electronics industry.







### Major Appliance

Electronic refrigerators that "beep" if a door is left ajar. Dishwashers that can be programmed to "remember" when to start. Microwave ovens that fit under a kitchen wall cabinet. These are current examples of GE's product innovation in major appliances, innovation that leads to real added value for the consumer. Long an industry leader in most major appliance segments, this business is undergoing a manufacturing renaissance to further improve cost-competitiveness and quality. For example, the newly renovated dishwasher plant in Louisville, Ky., was named one of the 10 best-managed factories in the United States by *Fortune* magazine. More than \$235 million is being in-

vested from 1983 to 1987 to upgrade the refrigeration manufacturing processes, while other product lines will share in the remainder of the \$1 billion GE has planned to invest in its major appliance business through the 1980s.

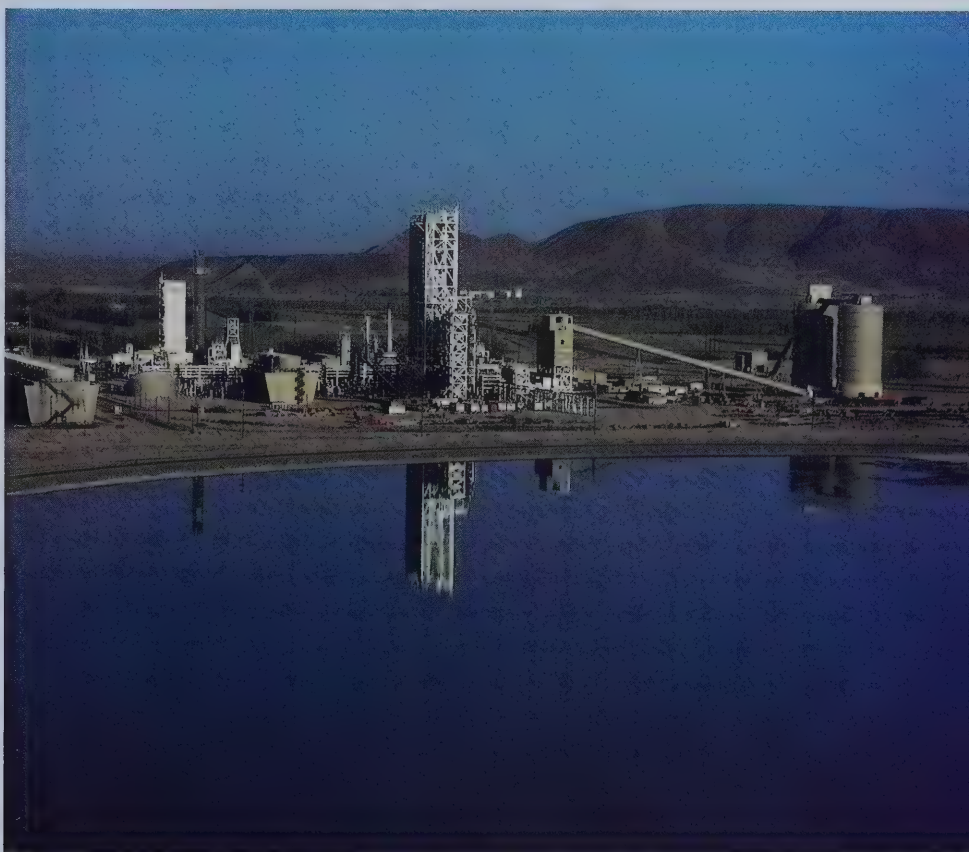






## Motor

Coiling like a snake through the DeKalb, Ill., motor plant, this newly installed system of insulating and winding machines (left) replaces 10 separate machines and several manual operations. It is part of a \$290 million multiyear program, begun in 1983, designed to modernize 17 domestic and foreign motor plants and strengthen GE's position as the world's leading supplier of electric motors. General Electric motors vary from small fractional horsepower motors for home appliances to motors with several thousand horsepower for heavy industry.



## Turbine

Producing power for people. And industry. And ships. GE turbines and technology are being used at California's Cool Water Coal Gasification project (above) to generate clean, efficient and reliable electricity in America's first commercial-scale, combined-cycle plant to burn gas converted from coal. As well as being the leading supplier of gas turbines for power-generating systems, GE is the number one supplier of steam turbine gear propulsion sets and shipboard generation equipment to the U.S. Navy and of steam turbine-generators to the world. More than 3,000 GE steam turbine-generators

have been installed worldwide, and more than half of the electrical power in the United States today is generated by these giant GE power-makers. In 1984, the turbine business continued to penetrate international markets. Steam turbine-generators went into commercial operation in Korea, Taiwan, Iraq, Spain, Egypt and Canada; significant orders for gas turbines came from Pakistan, Saudi Arabia and the People's Republic of China. The business also captured a major share of the U.S. co-generation market and continued to upgrade power-generating equipment for utilities and industrial customers.





## Transportation

One of 220 diesel-electric locomotives GE produced for the People's Republic of China during the year is loaded onto a cargo vessel (above) at Newport News, Va. While the world market for locomotives was disappointing in 1984, GE's transportation business did receive significant orders for Dash 7 locomotives from Seaboard System, Conrail and Santa Fe, and from Norfolk Southern for 50 new Dash 8 locomotives. The Dash 8 (right) is the first locomotive to employ microprocessors to dramatically improve locomotive reliability, traction and fuel efficiency. In addition, the transportation business — the world's largest manufacturer of drive systems for large mining vehicles and oil-well drilling drives — received a major order in 1984 for 107 drive systems to be used on coal mining trucks in China.







## Construction Equipment

A leading supplier to the construction industry, General Electric provided all of the electrical circuit protection and distribution equipment for the new Hoosier Dome (above) in Indianapolis, Ind. GE's construction equipment business provides contractors, original equipment manufacturers and industrial customers worldwide with a full range of electrical distribution products for all types of residential, commercial and industrial construction. To strengthen its position as an industry

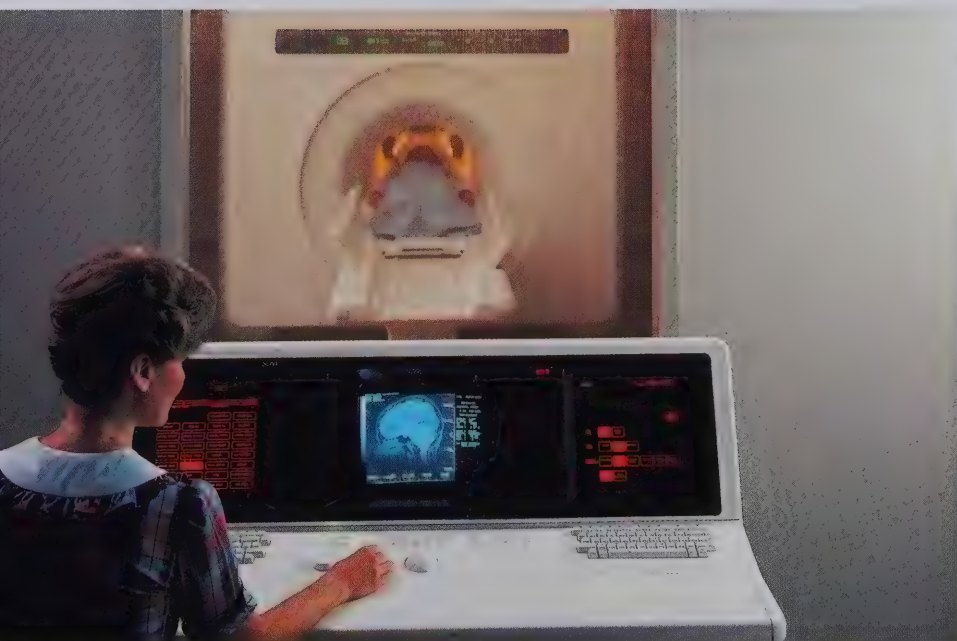
leader, the business is investing more than \$400 million in new manufacturing technologies and products, starting with the automated assembly (right) of electronic components for circuit breakers. During 1984, the business also implemented a new consumer marketing program to penetrate the retail home improvement market, increasing sales to this market by 50%.





## High-Technology Businesses

GE's high-tech businesses are medical systems, aircraft engine, aerospace, materials and industrial electronics. Our strategy is to make certain these businesses stay on the leading edge through a combination of synergistic acquisitions and substantial investments in research and development.



### Medical Systems

General Electric is the worldwide leader in diagnostic imaging equipment used by physicians in diagnosis and treatment. Employing its technology and strong service organization, the medical systems business has built strong positions in computed tomography (CT), nuclear medicine and, in the United States, X-ray equipment. GE continues to pioneer the development of the industry's most advanced, high-resolution magnetic resonance (MR) scanner — the Signa® system shown above. MR allows physicians to "see" into areas of the body, such as the brain and spinal cord, with better defi-

nition than other imaging equipment. Also continuing to gain wide acceptance are GE's new digital X-ray system, new ultrasound equipment, a telemarketing operation for handling supplies and accessories, and a support service that constructs medical facilities.



## Aircraft Engine

1984 was a momentous year for GE's aircraft engine business. In the military market, the U.S. Air Force selected the Company's F110 jet engine to power some of its F-16 fighters, such as the aircraft below being readied for flight testing. The U.S. Navy, also for the first time, picked the same GE engine for its F-14 aircraft. Those selections, if renewed annually, could be worth billions of dollars; and were followed by Israel and Turkey opting for the F110 on their new F-16 fighters. In an unfavorable development, the U.S. Navy requested that GE share its F404 jet engine technology with the competition in order to

establish a second source for competitive bidding in that military engine market. On the commercial engine side, GE had its best year for orders as 221 aircraft were ordered with CF6 and CFM56 engines. In addition, the Company signed an agreement with Rolls-Royce to manufacture components for each other's large and mid-sized commercial engines, opening world markets that might otherwise have remained closed to each company. Other highlights during the year included the first test flight of the CF6-80C2 high-bypass turbofan engine (left); initial deliveries of Boeing 737-300 commercial

aircraft, powered by CFM56 engines; first flight of the U.S. Air Force B-1B bomber, equipped with GE engines; and introduction into revenue service of new Saab-Fairchild 340 regional aircraft, powered by CT7 turboprop engines. GE also unveiled the radically new UDF® (unducted fan) engine, completed initial testing of a new turboshaft engine and started a development program on gas turbine power systems for military vehicles.







## Aerospace

Standing up to 135 feet high and three-fourths of a mile long, this transmitting antenna array in Maine is part of a new over-the-horizon radar system designed by GE for the U.S. Air Force. The system provides air surveillance out over the Atlantic to 1,800 miles. New GE solid-state radar systems were also installed in Alaska during 1984. In addition to radar, GE is a leading developer of satellites, training simulators, aircraft controls, and other high-tech systems and equipment for defense, space and aviation needs. One of the most diversified aerospace contractors, this GE business is building for future growth by investing heavily in such key technologies as microelectronics, computer software, and advanced space and defense systems.





## Materials

Engineering thermoplastics and the first industrial diamonds are just two of the high-tech materials to come out of GE's laboratories over the years. In 1984, the Company's plastics business opened a new technology center (above) in Pittsfield, Mass., to further support its world leadership in developing high-performance plastics as alternatives to metal, wood and glass. It also pushed forward its global effort by opening a new plant in Japan and starting up a joint venture in Mexico, as well as announcing capacity expansions in the United States for Lexan®, Valox® and Noryl® resins. GE's engi-

neered materials business continued to develop applications for its broad line of silicone sealants, industrial diamonds and other proprietary products. Cutting tools edged with GE diamonds, for example, are being used extensively in building and highway restoration, such as the road resurfacing project (left) on San Francisco's famed Golden Gate Bridge. During 1984, engineered materials also introduced a contrast enhancement material, Altolith®, which was developed at the Company's R&D Center. Used to process silicon wafers, it could save the microelectronics industry millions of dollars a year.







### Industrial Electronics

General Electric is leading the drive to improve manufacturing productivity through factory automation. Not only has GE, companywide, been allocating \$500 million annually to automate its own plants, but GE's industrial electronics business also is offering automation equipment and solutions to customers worldwide. For example, a GE programmable controller (above) helps increase productivity at the Weirton Steel plant in West Virginia, where it automatically controls the welder in the tandem cold-rolling mill. To enhance its role as a factory automation leader, GE formed two joint ventures during the year: with Coherent, Inc. to supply industrial lasers (left), and with Ungermann Bass to

produce local area network communication systems that link together factory automation equipment. In addition, GE's drive systems operations maintained its leadership position in the metals and paper mill markets by winning major orders for the modernization of domestic and foreign mills.





## Services Businesses

We have four major services businesses: financial, construction and engineering, nuclear and information. Our goal is to continue developing these opportunities by expanding our service capabilities through acquisitions and innovative solutions to customer needs.



### Financial Services

From finding funds to acquire a business to financing the sale of manufactured products, customers throughout the United States are using GE's diversified financial services to build and enhance their enterprises. In 1984, for example, the Baldwin Piano & Organ Company, whose employees manufacture musical instruments (above), was acquired by a group of Baldwin executives in a leveraged buyout — an acquisition that was part of a \$155 million

transaction with General Electric Credit Corporation (GECC). Now part of the newly formed General Electric Financial Services, Inc. (GEFS), GECC ranks as the nation's largest diversified finance company with assets of \$18.5 billion. It is an industry leader in leveraged leasing, leveraged buyouts and retail credit agreements for national manufacturers. Companies such as Apple, BMW, Volvo White and John Deere are currently using GECC fi-

nancing as a marketing tool for their products. During 1984, GEFS widened its financial services with the \$1.1 billion acquisition of Employers Reinsurance Corporation, one of the three largest property and casualty reinsurance companies in the United States. GECC also continued to expand its lease-related activities by acquiring a truck leasing and services company to complement previous acquisitions in the railcar and aircraft leasing markets.





### Construction & Engineering

A wide variety of General Electric's construction and engineering services are at work at this \$100 million cogeneration plant (above) near Houston, Texas. GE not only designed the plant but also is responsible for its construction, operation and maintenance. A major developer of cogeneration projects, GE has received commitments for more than 400 megawatts of turnkey, industrial-sized power plants over the last two years. The construction and engineering services business also offers a variety of modernization serv-

ices, from upgrading individual machine tool controls and mechanical equipment to renovating transit cars (left) and complete power plants. In addition, the business — which currently has been affected by weak international markets — provides utilities and industrial customers worldwide with a full range of construction, installation, maintenance and repair services; supplies control systems for factory automation projects; and manufactures and services air quality control equipment and systems.







### **Nuclear Services**

With 30 years' experience in supplying fuel and services for boiling water reactors (BWRs), GE is dedicated to helping its worldwide customers obtain top performance from their plants. This includes using the Company's training facility (left) in San Jose, Calif., to teach utility employees how to refuel and service nuclear plants efficiently. It also includes supplying customers with advanced fuel designs, engineering analyses, equipment improvements, licensing support, waste management programs and other services. In 1984, GE's nuclear energy business furthered its service offerings by acquiring Reuter-Stokes Inc., an international supplier of high-tech nuclear instruments. The Company also received advanced reactor technology work from the U.S. Department of Energy and made continued progress in BWR technology development programs with Japanese customers.





### Information Services

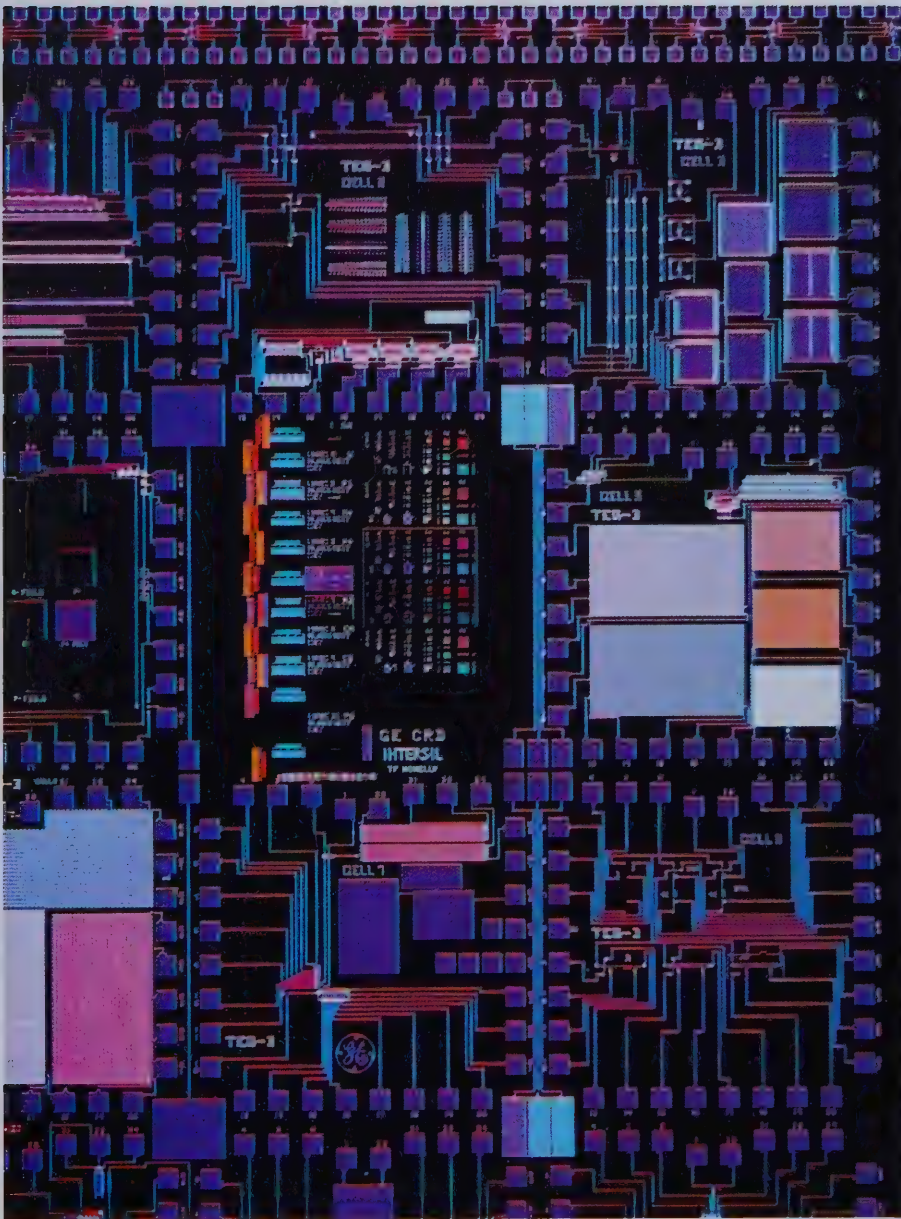
Enhanced communications and data processing services from General Electric Information Services Company provide more than 6,000 clients worldwide with solutions to their teleprocessing needs. Hickory Farms, for example, has speeded up the delivery of gift orders (above) by using personal computers situated in its stores and linked to GE's teleprocessing network (below). Other typical applications for GE's network-based services include transferring funds electronically, tracking international shipments and linking manufacturers with suppliers for just-in-time

inventory controls. Office automation remains another key market for the information services business, which offers a full range of services that include the Quik-Comm® electronic mailbox system. The business also provides packaged software; leases and maintains communications/computer equipment; and has a cadre of systems designers, programmers and consultants to solve business information needs.





Our semiconductor business, petroleum subsidiary and trading company help support the drive for world leadership by our 15 major businesses. The semiconductor business is critical to giving GE products a competitive electronic edge. Ladd Petroleum provides a backup supply of petrochemical feedstock for our \$2 billion-plus materials businesses. And the General Electric Trading Company enhances our international competitiveness in a world where trade is becoming an issue of goods as well as currency.



### Semiconductor

The semiconductor business is currently working with GE's aerospace business and the Company's Research and Development Center to develop advanced very large scale integrated (A/VLSI) circuits such as this prototype. It has elements as small as 1.25 microns (about 1/100th the thickness of a human hair). Compared to the majority of integrated circuits (ICs) in production today, A/VLSI circuits promise a tenfold increase in speed and reliability with a comparable decrease in size, power usage and cost. They are expected to have a major impact on aerospace and other GE businesses through the next decade. The semiconductor business also supplies GE, as well as external customers, with sophisticated ICs and other electronic devices. These include insulated gate transistors and high-voltage ICs, which can be used in small motor drive packages to control the speed and direction of motors for residential and industrial applications.





## Trading Company

Approximately one-fifth of world trade today involves countertrade, offset or barter requirements as a condition of sale. To support GE exports in that environment, the General Electric Trading Company (GETC) helps GE businesses undertake and fulfill these obligations at minimum cost and risk. In Spain, for example, GETC helped in the sale of GE aircraft engines to the Spanish government by undertaking a sizable industrial offset commitment involving a range of products — from metals and industrial components to ships (left) — produced in that country. During the year, GETC supported export orders of more than \$1.3 billion, including aircraft engines to Turkey and electronic systems to the United Kingdom.

## Ladd Petroleum

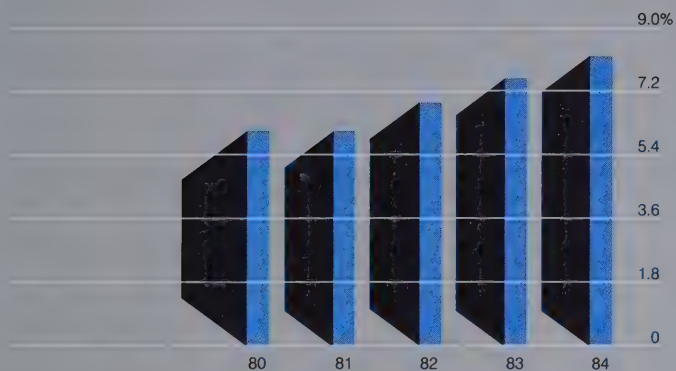
Over the past five years, Ladd Petroleum has discovered and developed oil and gas reserves at a cost 17% below the industry average. That type of aggressive exploration and development, as well as acquisitions, has raised this GE subsidiary to 12th in petroleum reserves among the 12,000 independent (or non-major) oil companies in the United States. During 1984, Ladd continued to expand its operations by acquiring the oil and gas assets of Patrick Petroleum Company. It also partici-

pated in major discoveries in Oklahoma, Texas (right) and Mississippi, in addition to developing natural gas supplies for the cogeneration project mentioned on page 20.

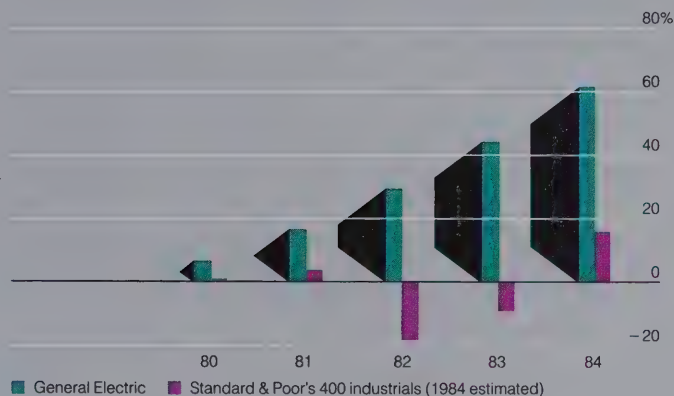




**Net earnings as percentage of sales**



**General Electric/S&P 400 annual earnings per share increase/decrease from 1979**



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# Statement of Earnings

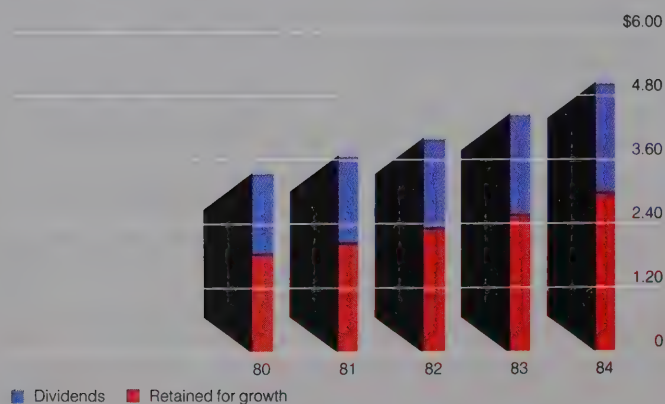
General Electric Company and consolidated affiliates

For the years ended December 31 (In millions)

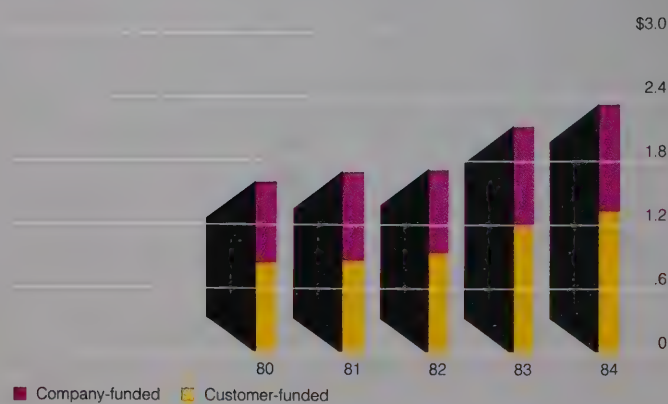
	1984	1983	1982
<b>Sales of products and services to customers</b>	\$27,947	\$26,797	\$26,500
<b>Operating costs</b>			
Cost of goods sold	19,460	18,701	18,605
Selling, general and administrative expense	4,542	4,463	4,506
Depreciation, depletion and amortization	1,100	1,084	984
Operating costs (notes 2 and 3)	25,102	24,248	24,095
<b>Operating margin</b>	2,845	2,549	2,405
Other income (note 4)	989	884	692
Interest and other financial charges (note 5)	(333)	(370)	(344)
<b>Earnings before unusual items, income taxes and minority interest</b>	3,501	3,063	2,753
Unusual items (note 6):			
Gains from sales of assets	617	117	—
Provisions for business restructuring activities	(636)	(147)	—
Revaluation of goodwill and intangibles	(126)	—	—
<b>Earnings before income taxes and minority interest</b>	3,356	3,033	2,753
Provision for income taxes (note 7)	(1,065)	(975)	(900)
Minority interest in earnings of consolidated affiliates	(11)	(34)	(36)
<b>Net earnings</b>	\$ 2,280	\$ 2,024	\$ 1,817
Net earnings per share (in dollars)	\$ 5.03	\$ 4.45	\$ 4.00
Dividends declared per share (in dollars)	\$ 2.05	\$ 1.875	\$ 1.675
Operating margin as a percentage of sales	10.2%	9.5%	9.1%
Net earnings as a percentage of sales	8.2%	7.6%	6.9%

The notes to financial statements on pages 38-49 are an integral part of this statement. Per-share amounts have been adjusted for the 2-for-1 stock split in April 1983.

## Earnings per share (dollars)



## Research and development expense (\$ billions)





**The Statement of Earnings** summarizes GE's income and expenses for the last three years. The Letter to Share Owners (pages 2-6) reviews major 1984 highlights and progress in implementing the Company's strategy aimed at being number one or two in all of its businesses. The Notes to Financial Statements provides additional details about sales and costs, and the Summary of Industry Segments (pages 34-36) provides information about the broad industries in which the Company's businesses operate.

The following should be kept in mind in reviewing 1984 results compared with the earlier years.

- Most of GE's former affiliate, Utah International Inc., and the entire housewares (small household appliance) business were sold early in the second quarter of 1984. This means that financial data for those businesses are reflected in GE's results up to the disposition dates but are no longer included after those dates. Thus, although 1984 sales of \$27.9 billion were up 4% from 1983's \$26.8 billion, the 1984 sales *did not include* a full year of contribution from the disposed operations. Adjusting for Utah and housewares, sales of other GE operations were 10% higher in 1984 than they were in 1983, with most of the increase attributable to widespread, higher shipment volume.
- During 1984, substantial progress was made on business restructurings to improve short- and long-term competitiveness. Restructurings include the dispositions noted above as well as rationalizing, rearranging and improving certain production facilities, and phasing out or otherwise concluding other activities. Other unusual costs were downward revaluations of goodwill and intangibles to recognize rapid changes that are occurring in some high-technology businesses. The effects of these gains and losses are summarized under the caption "Unusual items." Although the total of the unusual expenses (\$762 million in 1984 and \$147 million in 1983) was greater than gains from sales of assets (\$617 million in 1984 and \$117 million in 1983), these activities had no impact on net earnings in either year because of differing income tax rates applicable to the various transactions involved.
- Operating margin (sales less ongoing operating costs) was 10.2% of sales in 1984. This was a significant improvement from 9.5% in 1983 and 9.1% in 1982, and is an important overall indication of success achieved thus far from management's continuing broad actions to reduce costs and improve productivity throughout GE's businesses.

Cost of goods sold in 1984 included a net favorable last-in first-out (LIFO) inventory adjustment of \$125 million, compared with similar adjustments of \$114 million in 1983 and \$199 million in 1982. These amounts include reductions in LIFO reserves of \$32 million in 1984 and \$36 million in 1982 because of business dispositions. Also in-

cluded are reductions of LIFO reserves (\$125 million in 1984, \$132 million in 1983 and \$231 million in 1982) because of reduced inventories in certain businesses (mainly power systems in 1984 and 1983, but more widely spread in 1982). These favorable effects were partly offset by increases in LIFO reserves for higher inventory levels and resource prices in a number of businesses.

- Other income is derived from a variety of operating and non-operating sources. Major contributors to the \$105 million increase in 1984 from 1983 were \$84 million more income from a higher level of marketable securities and bank deposits, and a \$58 million increase (to \$329 million) in net earnings from General Electric Financial Services, Inc. (GEFS). These increases were partly offset by lower gains from sales of a portion of GE's long-held passive investment in Toshiba Corporation. Such gains were \$39 million in 1984 and \$73 million in 1983, with no transactions in 1982. The 1983 increase in "Other income" included \$66 million higher GEFS net earnings.
- Interest and other financial charges in 1984 were \$37 million less than in 1983 because of a lower average level of borrowings, mainly by affiliates. The \$26 million increase in 1983 interest expense from the prior year was due to higher average rates for short-term overseas borrowings.
- Current-period net earnings, earnings as a percentage of sales, earnings per share and dividends per share have each been increasing while, at the same time, substantial resources have been devoted to ensuring continued growth. One of the more significant futures-oriented activities is research and development on new and improved products and services. The Company-funded portion of research and development expense was up 13% in 1984 to \$1,038 million. GE's total R&D expenditures increased 9% in 1984 to \$2,304 million, which includes customer-sponsored (mainly U.S. government) projects. Total 1984 R&D expenditures equaled 8.2% of sales, up from 7.9% in 1983 and 6.5% in 1982.
- A discussion of the Company's 1984 tax position is on page 33.



# Statement of Changes in Financial Position

## Funds provided (used)

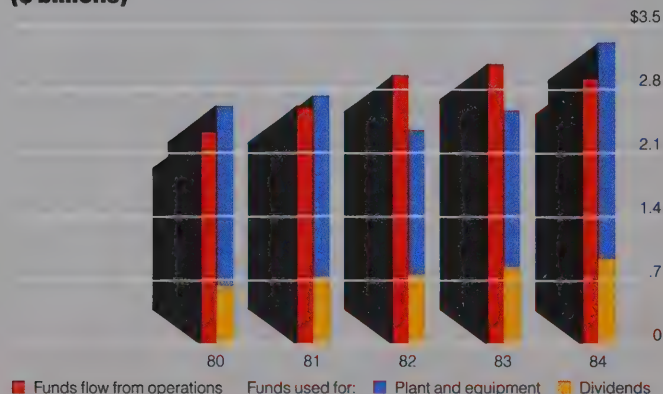
General Electric Company and consolidated affiliates

For the years ended December 31 (In millions)

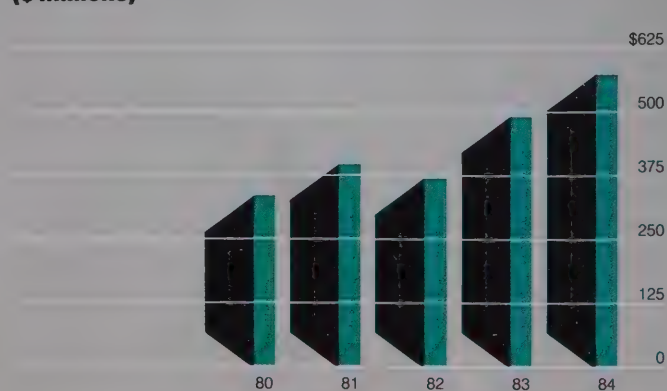
	1984	1983	1982
<b>Funds provided from operations</b>			
Net earnings	\$2,280	\$2,024	\$1,817
Adjustments for items not representing current fund usage:			
Depreciation, depletion and amortization	1,100	1,084	984
Earnings retained by nonconsolidated financial services affiliates	(330)	(55)	(42)
Income tax timing differences	(171)	4	139
All other operating items	11	34	36
Funds provided from operations	2,890	3,091	2,934
<b>Funds provided from (used for) changes in working capital</b>			
Decrease (increase) in inventories	(512)	(129)	432
Decrease (increase) in current receivables	(260)	(509)	132
Increase (decrease) in current liabilities other than short-term borrowings	(112)	556	(447)
Net funds provided from (used for) working capital	(884)	(82)	117
<b>Total funds provided from operations and working capital</b>	2,006	3,009	3,051
<b>Funds provided from (used in) investment transactions</b>			
Additions to property, plant and equipment	(2,488)	(1,721)	(1,608)
Dispositions of property, plant and equipment	1,346	209	160
Additions to funds held for business development	(359)	(455)	—
Additional investments in nonconsolidated financial services affiliates	—	(228)	(166)
All other transactions — net	454	158	(377)
Net investment transactions	(1,047)	(2,037)	(1,991)
<b>Funds provided from (used in) financial transactions</b>			
Disposition of GE shares from treasury	254	238	216
Purchase of GE shares for treasury	(284)	(319)	(222)
Increase in long-term borrowings	80	52	113
Decrease in long-term borrowings	(242)	(152)	(157)
Net financial transactions	(192)	(181)	(50)
<b>Funds used for dividends declared</b>	(930)	(852)	(760)
<b>Net increase (decrease) in funds</b>	\$ (163)	\$ (61)	\$ 250
<b>Analysis of net change in funds</b>			
Increase (decrease) in cash and marketable securities	\$ (132)	\$ (82)	\$ 116
Decrease (increase) in short-term borrowings	(31)	21	134
Increase (decrease) in funds	\$ (163)	\$ (61)	\$ 250

The notes to financial statements on pages 38-49 are an integral part of this statement.

### Comparison of funds flow from operations with funds used for dividends and property, plant and equipment (\$ billions)



### Plant expenditures for productivity and efficiency (\$ millions)





## The Statement of Changes in Financial Position

summarizes the main sources of Company funds and the uses to which they have been put. This Statement helps to show the relationship between operations, which are presented in the Statement of Earnings, and liquidity and financial resources, which are depicted in the Statement of Financial Position. "Funds" as used in this Statement totaled \$1,326 million at the end of 1984. These consisted only of the most liquid amounts, namely cash (\$1,859 million) plus marketable securities (\$514 million) less short-term borrowings (\$1,047 million).

- Operations are GE's principal source of funds, averaging about \$3 billion a year for the last three years. Funds from operations are net earnings adjusted for major items which affect earnings for a year but for which there is no cash receipt or disbursement in the same year. Depreciation, depletion and amortization represent the allocation against current-year earnings of part of the cash disbursed in prior years for property, plant and equipment. Earnings of nonconsolidated financial services affiliates are included in GE's current-year earnings, but to the extent such affiliates retain earnings for their own growth there is no cash available to consolidated businesses. The principal reason for the increase in 1984 was the retention of earnings by General Electric Financial Services, Inc. and its affiliates. GEFS financed its \$1,075 million acquisition of Employers Reinsurance Corporation through a combination of its own cash (\$200 million) and its own borrowings. Income tax timing differences result from the fact that income tax payments frequently occur in different years than accounting principles require their recognition in earnings for financial reporting purposes. Details of federal income tax timing differences, including amortization of the investment tax credit, can be found in note 7.

- Working capital can either be a provider or user of funds. As shown in the table, GE's aggregate usage of funds for working capital was \$884 million in 1984 after two years of essentially no significant net change. Growing businesses usually need to invest additional funds in inventories for sale to customers, and increased sales tend to result in use of funds until receivables are collected from customers. GE's higher 1984 sales and expected further growth resulted in a use of funds for receivables and inventory in 1984. (Working capital usage in 1984 was reduced by generation of funds from business dispositions, e.g., liquidation of Utah International receivables and inventories freed up about \$230 million.) GE management stresses the importance of minimizing funds lock-up in working capital and, despite the increased usage in 1984, working capital turnover continued to improve as discussed further on page 31.

- Investment transactions include additions to property, plant and equipment which, at \$2,488 billion in 1984, were 45% more than in 1983. These investments are an important part of the Company's drive to provide for future earnings growth through improved productivity and effi-

ciency (as shown in the chart) and selective capacity expansion. During the last five years, GE has invested \$9.8 billion in new property, plant and equipment. Of that total, 27% was to fill capacity needs; 24% was to increase productivity; 18% was to support new business start-ups; 12% was to replace and renew older equipment; and 19% was for projects involving other activities such as improved R&D facilities and safety and environmental protection.

Dispositions of property, plant and equipment provided considerably more funds in 1984 than in previous years, mainly because of the sale of most of GE's interest in Utah International.

Investment in funds which are highly liquid but are being held for longer-term business development were supplemented by \$359 million in 1984. This was in addition to the \$455 million set aside in 1983, bringing the total of funds not deemed essential to near-term operations to \$814 million as of December 31, 1984.

There were no additional investments in nonconsolidated financial services affiliates in 1984. Those affiliates retained current-year earnings for their own capital needs, including, in the case of GEFS, the acquisition of Employers Reinsurance Corporation.

All other transactions in 1984 include the Company's 15.5% share of coking coal consortia in Australia which arose from the Utah International disposition; 3 million shares of common stock of The Black and Decker Manufacturing Company received from the sale of the housewares business; and reserve activities related to business restructurings.

- Financing transactions have not been a significant source of funds for GE in recent years. Long-term debt was again reduced in 1984. This included disposition of Utah International's debt.

- Dividends declared totaled \$930 million in 1984. At \$2.05 per share, dividends were 9% more than in 1983, and made 1984 the ninth consecutive year of dividend increases. GE's policy is to maintain dividend growth while at the same time retaining sufficient earnings to enhance productive capability and to provide adequate financial resources for growth opportunities.

A recapitulation for the last five years shows that GE has been able to meet virtually all of its needs for funds from internal sources. Operations have provided \$13.9 billion. This covered the cumulative usage during the five years of \$13.7 billion devoted to new and improved property, plant and equipment as well as dividends for share owners. In addition, some \$814 million of funds have been set aside for future business development and the long-term debt balance has been reduced by \$194 million. Remaining funds-flow activity has involved changes in working capital, financial transactions and other investment activities. Net funds of \$379 million have been used since the beginning of 1980 for all transactions.



# Statement of Financial Position

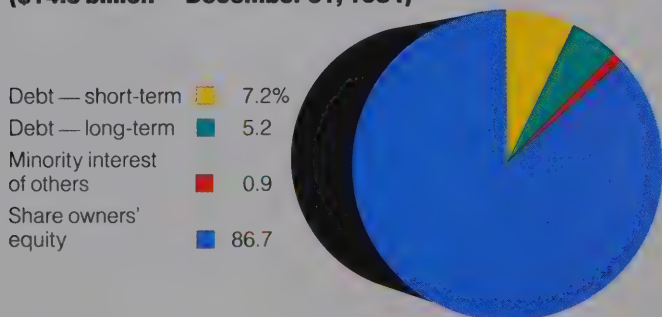
General Electric Company and consolidated affiliates

At December 31 (In millions)

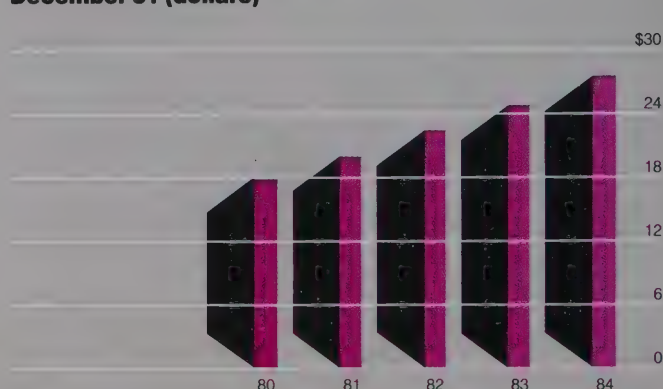
	1984	1983
<b>Assets</b>		
Cash (note 8)	\$ 1,859	\$ 1,828
Marketable securities (note 8)	514	677
Current receivables (note 9)	5,509	5,249
Inventories (note 10)	3,670	3,158
Current assets	11,552	10,912
Property, plant and equipment — net (note 11)	7,690	7,697
Funds held for business development (note 12)	814	455
Other investments (note 13)	2,903	2,490
Other assets (note 14)	1,771	1,734
<b>Total assets</b>	<b>\$24,730</b>	<b>\$23,288</b>
<b>Liabilities and equity</b>		
Short-term borrowings (note 15)	\$ 1,047	\$ 1,016
Accounts payable (note 16)	1,931	1,993
Progress collections and price adjustments accrued	2,403	2,551
Dividends payable	250	228
Taxes accrued	673	685
Other costs and expenses accrued (note 17)	2,303	2,215
Current liabilities	8,607	8,688
Long-term borrowings (note 18)	753	915
Other liabilities	2,668	2,247
Total liabilities	12,028	11,850
Minority interest in equity of consolidated affiliates	129	168
Common stock (462,928,000 shares issued)	579	579
Other capital	640	657
Retained earnings	11,667	10,317
Less common stock held in treasury	(313)	(283)
Total share owners' equity (notes 19 and 20)	12,573	11,270
<b>Total liabilities and equity</b>	<b>\$24,730</b>	<b>\$23,288</b>
Commitments and contingent liabilities (note 21)		

The notes to financial statements on pages 38-49 are an integral part of this statement.

**Percent of total capital**  
(\$14.5 billion — December 31, 1984)



**Share owners' equity per share —**  
December 31 (dollars)





**The Statement of Financial Position** shows the Company's balance sheets at the end of 1984 and 1983.

- Current receivables are mainly amounts due from customers (\$4.3 billion at December 31, 1984, compared with \$4.0 billion at the end of 1983) from sales of products and services. The year-end 1983 balances included \$192 million for Utah and housewares customers for which there were no counterparts at the end of 1984. Year-end to year-end increases were experienced by most businesses, principally because of higher sales. Collection experience has generally continued to be favorable and overall customer receivables as measured in a variety of ways — number of days billing outstanding, delinquency ratios and amounts past due — continued to be in excellent condition. Current receivables other than those due from customers include several types of transactions, such as advances to suppliers in connection with major subcontracts.

- Inventory levels continue to be carefully controlled. Additions to inventories were necessary in most GE businesses during 1984 as customer demand resulted in higher shipment volume and anticipation of further increases in 1985. Reductions occurred in some businesses in 1984, principally in power systems operations. Year-end 1984 balances did not include amounts comparable to the \$175 million for Utah and housewares at December 31, 1983. Inventory levels are being carefully monitored to provide a reasonable balance between anticipated customer needs and unnecessary lock-up of funds. Total inventories at the end of 1984 were equal to about 170 days of output, up five days from the previous year end, which had been GE's lowest level in nine years.

- Analysis of key elements of working capital (receivables and inventories less trade payables and progress collections) shows that average working capital in 1984 "turned over" 4.44 times, the highest in 10 years. Turnover relates the level of working capital to sales realized during the year. Continued improvement demonstrates vigorous control of working capital, making funds available for productive use elsewhere in the business.

- The Company's total debt (short- and long-term) was down to 12.4% of total capital at the end of 1984. This was two full points lower than at the end of 1983 and compares with 19.5% at the beginning of 1980.

- Other liabilities, i.e., non-debt obligations due more than one year after the balance-sheet date, increased by \$421 million in 1984. This increase arose principally from provisions related to the Company's program to restructure a number of business operations as discussed on page 27.

- In addition to almost \$3.2 billion in liquid funds (\$2,373 million in cash and current marketable securities and \$814 million of investments held for future business development) and a low debt-to-capital ratio, GE has available bank credit lines as well as the highest debt ratings awarded by the major credit-rating agencies.

In summary, General Electric's financial condition remains strong. The Company's financial resources and liquidity are entirely adequate to:

- Provide for seasonal working capital needs during 1985.
- Pay for plant and equipment expenditures that are expected to be about \$2.0 billion during 1985. Estimated future plant expenditures to complete projects already approved aggregated \$1.8 billion at December 31, 1984, of which approximately 56% is planned to be spent in 1985.
- Enable the Company to continue a high level of programmed expenses for research and development as well as to support other new business activities.
- Pursue appropriate acquisitions.



# Selected Financial Data

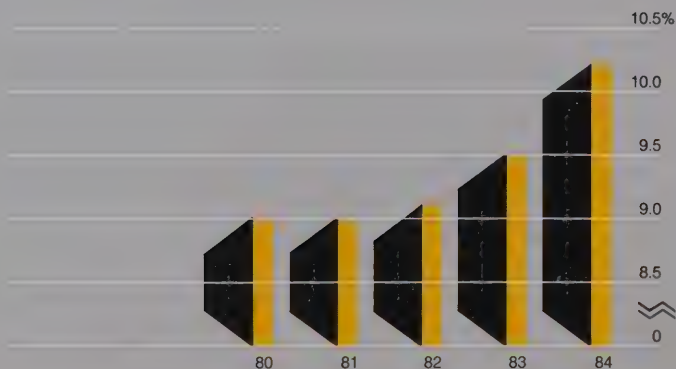
General Electric Company and consolidated affiliates

(Dollar amounts in millions; per-share amounts in dollars)

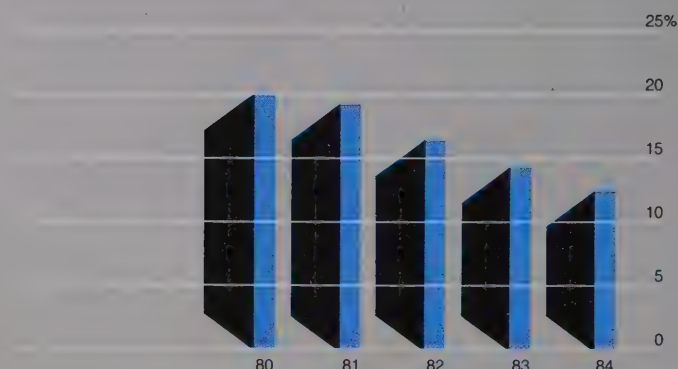
	1984	1983	1982	1981	1980
Sales of products and services to customers	\$ 27,947	\$ 26,797	\$ 26,500	\$ 27,240	\$ 24,959
Operating margin	2,845	2,549	2,405	2,447	2,243
Earnings before unusual items, income taxes and minority interest	3,501	3,063	2,753	2,660	2,493
Unusual items — net (before taxes)	(145)	(30)	—	—	—
Earnings before income taxes and minority interest	3,356	3,033	2,753	2,660	2,493
Net earnings	2,280	2,024	1,817	1,652	1,514
Net earnings per share	\$ 5.03	\$ 4.45	\$ 4.00	\$ 3.63	\$ 3.33
Dividends declared per share	\$ 2.05	\$ 1.875	\$ 1.675	\$ 1.575	\$ 1.475
Operating margin as a percentage of sales	10.2%	9.5%	9.1%	9.0%	9.0%
Net earnings as a percentage of sales	8.2%	7.6%	6.9%	6.1%	6.1%
Net earnings on average share owners' equity	19.1%	18.9%	18.8%	19.1%	19.5%
Dividends declared	\$ 930	\$ 852	\$ 760	\$ 715	\$ 670
Shares outstanding — average (in thousands)	453,680	454,768	454,078	455,056	455,082
Share owner accounts — average	520,000	501,000	502,000	514,000	524,000
Market price range per share	\$59 <sup>3</sup> / <sub>8</sub> -48 <sup>1</sup> / <sub>4</sub>	\$58 <sup>7</sup> / <sub>8</sub> -45 <sup>3</sup> / <sub>8</sub>	\$ 50-27 <sup>1</sup> / <sub>2</sub>	\$ 35-25 <sup>5</sup> / <sub>8</sub>	\$31 <sup>1</sup> / <sub>2</sub> -22
Short-term borrowings	\$ 1,047	\$ 1,016	\$ 1,037	\$ 1,171	\$ 1,093
Long-term borrowings	753	915	1,015	1,059	1,000
Minority interest in equity of consolidated affiliates	129	168	165	166	154
Share owners' equity	12,573	11,270	10,198	9,128	8,200
Total capital invested	\$ 14,502	\$ 13,369	\$ 12,415	\$ 11,524	\$ 10,447
Return on average total capital invested	17.9%	17.5%	17.1%	17.4%	17.3%
Total assets	\$ 24,730	\$ 23,288	\$ 21,615	\$ 20,942	\$ 18,511
Property, plant and equipment additions	\$ 2,488	\$ 1,721	\$ 1,608	\$ 2,025	\$ 1,948
Average employment — worldwide	330,000	340,000	367,000	404,000	402,000
— United States	241,000	245,000	261,000	289,000	285,000
Year-end orders backlog	\$ 22,577	\$ 20,589	\$ 19,723	\$ 21,005	\$ 20,647

Share data have been adjusted for the 2-for-1 stock split in April 1983.

**Operating margin as percentage of sales**



**Borrowings as a percentage of total capital invested**





**Selected Financial Data** provides both a handy reference for some data frequently requested about GE and also a record which may be useful in reviewing trends. The following comments provide additional perspective on some of these selected data.

- General Electric's net earnings have increased every year since 1975. Over the last five years (which included two recessions), GE's earnings grew at an average annual rate of 10.1%. In 1984, GE's earnings were 62% greater than they were in 1979. This compares with an estimated increase from 1979 to 1984 of only 16% for the 400 companies making up the Standard & Poor's Industrial Index. As an indicator of consistent improvement, GE's earnings *increased in each* of the last five years, while the S&P 400 twice (1982 and 1983) had earnings less than those recorded in 1979.

- Inflation-adjusted results for GE are presented in note 24 to the financial statements. Because the rate of inflation in the United States has remained — thankfully — at relatively low levels for the past three years, adjustments for inflation have not been as significant as those experienced in the late 1970s and early 1980s. Although inflation-adjusted earnings are always lower than reported earnings, the positive trend in GE's reported earnings is also evident in earnings after removing the effects of inflation.

- Amounts shown for GE's backlog of orders on hand exclude values for mineral sales because of the Utah International disposition. Products and services sold by General Electric have a wide range of order-to-shipment cycles. Approximately 50% of the total backlog at December 31, 1984, is scheduled to be shipped in 1985. On a comparable basis, 54% of the backlog at the end of 1983 was scheduled for shipment in 1984. The portion of the backlog on hand at the end of 1984 which was for export orders to be shipped from the United States to external customers was \$4.6 billion, compared with \$4.8 billion the year before.

Power systems orders accounted for \$9.5 billion of the total year-end 1984 backlog (\$9.3 billion at the end of 1983 on a comparable organization basis). Included in these amounts were \$2.1 billion (unchanged from 1983) for steam turbine-generators, of which approximately \$0.8 billion is scheduled for shipment five years or more in the future. Also included in power systems backlog at December 31, 1984, were \$3.0 billion of nuclear orders, compared with \$2.3 billion a year earlier. About \$1.7 billion of the current nuclear backlog is scheduled for shipment five years or more in the future.

Aircraft engine orders accounted for \$6.9 billion of the orders backlog at December 31, 1984, compared with \$5.5 billion at December 31, 1983. Virtually all of the 1984 aircraft engine backlog is to be filled during the next five years.

- General Electric's total tax position for 1984, including the transactions of those affiliates which are consolidated for tax but not for financial reporting purposes (General

Electric Financial Services, Inc. and its two affiliates, General Electric Credit Corporation and Employers Reinsurance Corporation), follows.

Total GE taxes (In millions)	For the year ended December 31, 1984
Provision for U.S. federal income taxes:	
Estimated amount payable (GE and consolidated affiliates)	\$1,051
Estimated amount recoverable (nonconsolidated affiliates)	(866)
Net U.S. federal income taxes payable	185
Effect of timing differences and deferred investment tax credit	803
Total provision for U.S. federal income taxes	988
All other taxes (Social Security; foreign, state and local income; property and franchise; sales and use)	1,012
Total taxes payable currently or in the future	<u>\$2,000</u>

In 1984, GE (including both consolidated and nonconsolidated affiliates) provided an aggregate of \$2.0 billion for taxes of all types payable currently or in the future.

The amount of U.S. federal income taxes recoverable by nonconsolidated affiliates arises primarily from General Electric Credit Corporation's leasing activities. GECC's successful leasing business has grown in recent years partly as a result of U.S. tax policy aimed at making American business more competitive by encouraging productive investments in plant and equipment. Leasing from GECC has offered a broad range of companies an attractive, cost-effective way to meet capital equipment needs. Because GECC actually purchases and owns the equipment it leases to customers, GECC realizes investment tax credits and the benefits of the Accelerated Cost Recovery System which Congress has established as tax incentives. It is important to remember that GECC's past and current leasing activities will result in significant taxable income in future years. The future obligation is included in the \$803 million shown for the effect of timing differences.



# Summary of Industry Segments

General Electric Company and consolidated affiliates

For the years ended December 31 (In millions)

	1984	1983	1982	1981	1980
<b>Revenues</b> (sales plus other income)					
Consumer products	\$ 3,858	\$ 3,741	\$ 3,943	\$ 4,202	\$ 3,998
Major appliances	3,650	3,078	2,751	3,132	3,012
Industrial systems	4,274	4,228	4,705	5,364	4,907
Power systems	6,010	5,878	6,093	6,015	5,703
Aircraft engines	3,835	3,495	3,140	2,950	2,660
Materials	2,241	2,060	1,791	2,050	1,877
Technical products and services	4,803	3,823	3,546	3,005	2,424
Financial services	448	397	286	239	193
Natural resources	609	1,579	1,575	1,722	1,374
Corporate items and eliminations	(792)	(598)	(638)	(825)	(625)
Total	<u>\$28,936</u>	<u>\$27,681</u>	<u>\$27,192</u>	<u>\$27,854</u>	<u>\$25,523</u>
<b>Net earnings</b>					
Consumer products	\$ 228	\$ 163	\$ 146	\$ 225	\$ 241
Major appliances	223	156	79	82	104
Industrial systems	73	84	148	212	218
Power systems	486	439	384	242	223
Aircraft engines	251	196	161	149	141
Materials	262	182	148	189	170
Technical products and services	232	210	218	144	99
Financial services	336	285	203	145	126
Natural resources	117	301	318	284	224
Corporate items and eliminations	72	8	12	(20)	(32)
Total	<u>\$ 2,280</u>	<u>\$ 2,024</u>	<u>\$ 1,817</u>	<u>\$ 1,652</u>	<u>\$ 1,514</u>

## Summary of International Operations

General Electric Company and consolidated affiliates

(All industry segments)

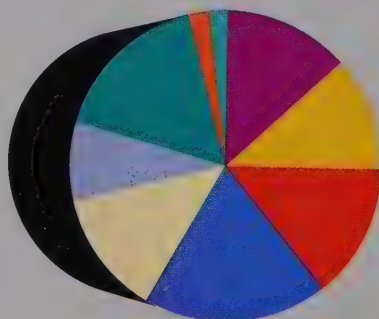
For the years ended December 31 (In millions)

	1984	1983	1982	1981	1980
<b>Revenues outside the United States</b>					
Foreign operations and licensing	\$ 4,448	\$ 5,509	\$ 6,100	\$ 6,509	\$ 5,816
U.S. exports to external customers	3,255	3,639	3,312	3,681	3,781
Total	<u>\$ 7,703</u>	<u>\$ 9,148</u>	<u>\$ 9,412</u>	<u>\$10,190</u>	<u>\$ 9,597</u>
<b>Net earnings</b>	<u>\$ 419</u>	<u>\$ 668</u>	<u>\$ 680</u>	<u>\$ 574</u>	<u>\$ 639</u>

See pages 46-48 for additional segment information.

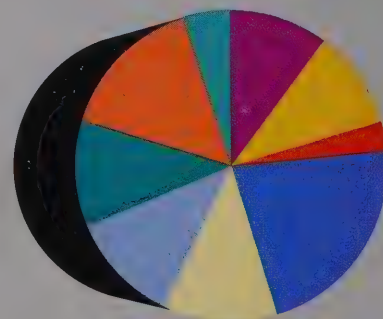
1984 Revenues by segment

Consumer products	13%
Major appliances	12
Industrial systems	14
Power systems	20
Aircraft engines	13
Materials	8
Technical products and services	16
Financial services	2
Natural resources	2



1984 Net earnings by segment

Consumer products	10%
Major appliances	10
Industrial systems	3
Power systems	22
Aircraft engines	12
Materials	12
Technical products and services	11
Financial services	15
Natural resources	5





**The Summary of Industry Segments** groups General Electric's revenues and net earnings by the principal industries in which GE's various businesses participate. These differ from the groupings by "circles" noted earlier in this Report. The circles focus on key businesses in terms of strategy considerations involving resource allocation and help to emphasize long-term goals. An explanation of changes made in industry segments in 1984, as well as additional financial details and information about the composition of each segment, is included on pages 46-48. Comments on the results of operations by segment, particularly on changes from 1983 to 1984 and pertinent trends, follow.

While reviewing these data it should be remembered that there were economic recessions in the United States during roughly the first three quarters of 1980 and again from the third quarter of 1981 to the last quarter of 1982. These recessions affected GE's businesses in different ways. Usually those that are driven directly or indirectly by consumer purchases (such as consumer products, major appliances and materials) see a recessionary impact almost immediately in slackening sales, while those more oriented toward commercial and industrial markets generally lag both an economic slowdown and subsequent recovery. Industrial markets are also undergoing significant changes as the need to modernize and rejuvenate America's productive capacity becomes clearer. A number of GE's businesses are not affected directly by short-term recession and recovery but are affected by different economic cycles. These include much of the power systems business, where long order-to-shipment periods reflect to a large extent public utility response to changes in electrical load demand; businesses having a heavy national defense orientation, including aerospace and aircraft engine; and those operating in unique markets, such as the rapidly changing and growing opportunities for financial services, medical systems, information services and commercial aircraft engines. It is also pertinent to this review that generally poor international markets, especially in Latin America, have prevailed in recent years.

- **Consumer products** earnings in 1984 were 40% higher than in 1983 on a 3% revenue increase. The 1984 improvements were led by strong sales and better factory efficiencies in lighting systems. Consumer electronics (video and audio products) and the battery business also had a good year. Mobile communications had slightly better sales but experienced somewhat greater losses reflecting cellular telephone business start-up costs and severe pricing pressures. Adjusting for the disposition of the housewares business in the second quarter of 1984, consumer products revenues for the year were up about 14%. Housewares accounted for about \$500 million of revenues annually from 1980 to 1983, and the central air conditioning business (which was sold in the third quarter of 1982) accounted for about \$300 million of revenues annually. Both these former businesses made only modest contributions to earnings in the recent past.

- **Major appliance** earnings in 1984 were 43% ahead of 1983, when earnings were virtually double those of 1982. Revenues in 1984 were 19% ahead of the prior year on good volume increases. In addition to higher volume, the principal reasons for much better profitability were the favorable effects of sharp improvements in productivity and excellent product quality that reduces in-warranty service costs.

- **Industrial systems** 1984 earnings were 13% below the previous year. Somewhat higher domestic revenues were offset by lower international results. The motor business had better earnings in 1984 on higher volume and productivity, and good volume gains in semiconductor resulted in a much lower loss. Domestic construction equipment sales and earnings were up on higher volume, although lower volume from international operations resulted in total construction equipment earnings about the same as in 1983. The loss in industrial electronics was about the same as the year before on modestly improved revenues. Transportation earnings were considerably lower than in the prior year as the effect of higher sales was more than offset by lower margins that were influenced by pricing pressures and higher costs, including programmed expenses. The general downtrend in industrial systems earnings is a reflection of markets which have been weak, especially for transportation systems as well as for new factory equipment, and the need for substantial expenditures to develop and market new and improved products and systems for factory automation.

- **Power systems** 1984 earnings were 11% above 1983 on a 2% revenue increase. Increases were led by nuclear operations on a higher level of demand for specialized services and fuel supplies and claim settlements from plant cancellations. Total turbine operations were about the same in 1984 as in the previous year, with large steam turbine showing a good improvement in earnings on somewhat higher sales, particularly from its program to upgrade existing customer installations; but other businesses (gas and smaller steam turbines) had lower earnings, principally because there were no counterparts in 1984 to several large orders in 1983. In the aggregate, turbine sales over the past five years have been virtually level, with profitability improvements being realized mainly through emphasis on better productivity and efficiency. Power delivery earnings and sales were somewhat better in 1984, although the market sluggishness of recent years is continuing. Construction and engineering businesses had a substantial drop in offshore earnings and sales in 1984 due to poor international construction markets (especially in Latin America), which more than offset better domestic apparatus and engineering services operations.



● **Aircraft engine** earnings increased 28% in 1984 on 10% higher revenues. The excellent results for 1984 were led by higher sales and earnings from engines for military customers to whom shipments have risen steadily over the past five years. These results are despite substantial research and development expenditures and investment in plant modernization and expansion which are required to develop and maintain production efficiency and the advanced technology needed by all aircraft engine customers. Depressed commercial markets in the early 1980s and start-up costs for new engines have resulted in losses in the commercial business, but the backlog of unfilled commercial orders increased substantially at year-end 1984.

● **Materials** businesses had a 44% increase in 1984 earnings on a 9% revenue gain following a strong 1983 rebound from the recession. GE's worldwide plastics operations had substantially greater earnings from higher volume and significant productivity improvements. Most other materials product lines also had much better 1984 results.

● **Technical products and services** realized 10% higher earnings in 1984 from a 26% revenue increase. Aerospace sales and earnings in 1984 continued the strong growth experienced over the past five years. Medical systems sales and earnings increased rapidly from 1980 through 1983. Earnings in 1984 continued at about the 1983 level despite the start-up of production of magnetic resonance imaging equipment and the more competitive marketplace for health care equipment. Information services, whose markets are being affected by rapidly changing technology and communications deregulation, had slightly higher 1984 sales, with better pro-

ductivity producing increased earnings although profitability has not yet returned to the 1982 peak. Partly offsetting the better aerospace and information services results was the impact of higher losses at Calma Company, an affiliate which is incurring substantial product and market development expense for its line of sophisticated interactive graphics (CAD/CAM) offerings.

● **Financial services** earnings improvement of 18% in 1984 came — as has been true over the last five years — from another strong performance by the nonconsolidated affiliate, General Electric Credit Corporation. GECC's 1984 earnings were \$320 million, compared with \$271 million a year earlier. The increase was from higher investment levels and yields, partly offset by higher effective rates on borrowed funds. A new nonconsolidated affiliate, Employers Reinsurance Corporation, made a modest contribution to the better segment earnings after accounting for its acquisition costs by the parent General Electric Financial Services, Inc. Other financial services operations in venture capital and real estate development also contributed to 1984 earnings.

● **Natural resources** results from 1980 through the first quarter of 1984 consisted of Utah International, most of which was sold in April. Gain on this transaction is reported separately as an unusual item. Residual operations, mainly Ladd Petroleum Corporation, had improved results for the full year 1984.

Corporate items and eliminations in 1984 include interest income on the proceeds from the Utah disposition as it is inappropriate to allocate this temporary effect to industry segments.

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**Total international operations** of all industry segments include those conducted under the direct management of U.S. operations or by foreign affiliates, plus the results of exporting U.S.-made products to foreign customers.

Total international operations were 27% of 1984 revenues and 18% of 1984 net earnings. In recent years, total international operations had accounted for about one-third of GE's annual revenues and earnings. The lower relative contribution in 1984 is principally because of the 1984 disposition of Utah International, most of whose op-

erations were offshore. Export margins were also lower in 1984 than in 1983.

GE is among the largest diversified exporters of manufactured goods from the United States. Among the more significant GE exports are aircraft engines, power generation equipment and locomotives. Export sales to external customers in 1984 were \$3.3 billion, a decline of 11%. Total 1984 exports, including sales to affiliated companies, were \$4.0 billion. This made GE's positive contribution to the U.S. balance of trade \$2.6 billion in 1984.



# Statement of Financial Responsibility

## To Share Owners of General Electric Company

The financial information in this Report, including the audited financial statements, has been prepared by General Electric management. Preparation of these statements and data involves estimates and the use of judgment. Accounting principles underlying the financial statements are generally accepted in the United States and are consistent with standards issued by the International Accounting Standards Committee. However, in a few important instances, which are commented on in note 1 on page 38, there is no single specified accounting principle or standard. Where management makes a choice from reasonable accepted alternatives, it uses methods which it believes are prudent for GE.

To safeguard share owner assets, it is important to have a sound but dynamic system of internal financial controls and procedures which balances benefits and costs. One of the key elements of GE's internal financial controls has been the Company's success in recruiting, selecting, training and developing professional financial managers. Their responsibilities include implementing and overseeing the financial control system, reporting management's stewardship of the assets entrusted to it by share owners, and accurate and proper maintenance of the accounts.

Management has long recognized its responsibility for conducting the Company's affairs in an ethical and socially responsible manner. The commitment to this responsibility is reflected in key written policy statements. These cover, among other subjects, potentially conflicting

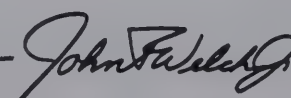
outside business interests of employees, compliance with antitrust laws and proper domestic and international business practices. Ongoing education, communication and review programs are designed to create a strong compliance environment and to make it clearly understood that deviation from Company policies will not be tolerated.

Peat, Marwick, Mitchell & Co. provide an objective, independent review of management's discharge of its obligations relating to the fairness of reported operating results and financial condition. Their report for 1984 again took no exceptions to the Company's financial statements.

The Audit Committee of the Board (consisting solely of Directors from outside GE) maintains an ongoing appraisal, on behalf of share owners, of the effectiveness of the independent public accountants, the Company's staff of corporate auditors and GE management with respect to preparation of financial statements, and of the adequacy of internal financial controls. The committee also reviews the Company's accounting policies, internal accounting controls, and the Annual Report and proxy material.



Dennis D. Dammerman  
Senior Vice President  
Finance



John F. Welch, Jr.  
Chairman of the Board and  
Chief Executive Officer

February 15, 1985

## Report of Independent Certified Public Accountants

### To Share Owners and Board of Directors of General Electric Company

We have examined the statement of financial position of General Electric Company and consolidated affiliates as of December 31, 1984 and 1983, and the related statements of earnings and changes in financial position for each of the years in the three year period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements appearing on pages 26, 28, 30 and 38-49, present fairly the financial position of General Electric Company and consolidated affiliates at December 31, 1984 and 1983, and the results of their operations and the changes in their financial position for each of the years in the three year period ended December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.



Peat, Marwick, Mitchell & Co.  
345 Park Avenue, New York, N.Y. 10154

February 15, 1985



# Notes to Financial Statements

## 1 Summary of significant accounting policies

• Consolidation. The financial statements represent the adding together of General Electric Company and all companies, except financial services companies, which GE controls through a majority interest or otherwise ("affiliated companies"). The effect of transactions among related companies is eliminated.

The principal financial services affiliate is General Electric Financial Services, Inc., (GEFS) a wholly owned company which in turn owns all of the stock of General Electric Credit Corporation and Employers Reinsurance Corporation. Financial services companies are so different from the other companies that, even though wholly owned, they are included on the equity basis as "one line" in other investments in the Statement of Financial Position and in other income in the Statement of Earnings. More information about the organization of GEFS can be found in note 13.

Companies in which GE owns between 20% and 50% ("associated companies") are also included on a "one-line" basis.

• Sales. A sale is recorded only when title passes to customers or when services are performed in accordance with contracts.

• Investment tax credit (ITC). The ITC for each year is deferred and then amortized as a reduction of the provision for income taxes over the lives of the facilities to which the credit applies.

• Inventories. The values of most manufacturing inventories are determined on a last-in first-out, or LIFO, basis and do not exceed realizable values. Mineral inventories of the former affiliate, Utah International Inc., were stated at the lower of average cost or market.

• Depreciation, depletion and amortization. The cost of most manufacturing plant and equipment is depreciated using an accelerated method based primarily on a sum-of-the-years digits formula. If manufacturing plant and equipment is subject to abnormal economic conditions or obsolescence, additional depreciation is provided. The full-cost accounting method is used for oil and gas properties. The cost of mining properties of Utah International Inc. was depreciated, depleted or amortized mainly by the unit-of-production method. Mining exploration costs were charged directly to expense until development of a specific mineral deposit was likely to be economically feasible. After such determination, all related development costs were capitalized and subsequently amortized over the productive life of the property, commencing with the start-up of production.

• Pensions and other retiree benefits. Accounting policies for pensions and other retirement benefits are discussed in note 3.

## 2 Operating costs

Total operating costs, summarized by the principal objectives for which the expenditures were made, are shown in the table below. The table also shows selected supplemental details of certain ongoing expenses.

<b>Operating cost details</b>			
(In millions)	1984	1983	1982
Employee compensation, including benefits	\$10,939	\$10,500	\$10,296
Materials, supplies, services and other costs	13,311	12,476	12,079
Depreciation, depletion and amortization	1,100	1,084	984
Taxes, except Social Security and those on income	264	317	304
Decrease (increase) in inventories during the year	(512)	(129)	432
Total operating costs	<u>\$25,102</u>	<u>\$24,248</u>	<u>\$24,095</u>
Supplemental details:			
Company-funded research and development	\$1,038	\$919	\$781
Maintenance and repairs	744	882	822
Social Security taxes	616	579	565
Advertising	356	363	353



### 3 Pensions and other retiree benefits

General Electric and its consolidated affiliates sponsor a number of pension plans. The costs of these plans were \$603 million in 1984, \$643 million in 1983 and \$570 million in 1982.

- General Electric Pension Plan (the "Pension Plan") is the most significant pension plan and substantially all employees in the United States are participants. The projected unit credit method, which recognizes the effect of future compensation and service of employees, is used to determine trust funding and pension cost. Changes in pension benefits allocable to previous service of employees (prior-service liabilities) are amortized to pension costs over 20 years. Gains and losses which occur because actual experience differs from amounts assumed are amortized over 15 years.

Pension Plan benefits are funded through the General Electric Pension Trust (the "Trust"). The "carrying value" of investments is amortized cost plus recognition of appreciation in the common stock portfolio on a systematic basis which does not give undue weight to short-term market fluctuations.

- A comparison of the present value of Pension Plan benefits with carrying value of Trust assets is shown in the table below.

#### General Electric Pension Plan

December 31 (In millions)	1984	1983	1982
Present value of accumulated benefits recognizing projected future compensation and service	\$11,116	\$10,604	\$ 9,800
Carrying value of Trust assets	9,704	8,590	7,477
Unfunded liability	<u>\$ 1,412</u>	<u>\$ 2,014</u>	<u>\$ 2,323</u>
Persons receiving pensions at year end	103,800	97,800	91,500

The funding program and Company cost determination for the Pension Plan use 7.5% as the estimated rate of future Trust income, except for the effect in 1984 of a dedicated portfolio. This fixed-income portfolio, consisting of securities backed by the U.S. Treasury, has been dedicated to the payment of certain future pension benefits. The value of Trust assets at the end of 1984 includes \$824 million for this portfolio. The rate of return on the dedicated portfolio (13.4%) was a factor in determining the present value of plan benefits.

If the dedication had not occurred, the present value of benefits at the end of 1984 would have been \$580 million greater. The dedication reduced 1984 pension costs by \$28 million. Amortization of continued favorable Trust income experience also reduced pension costs. Pension cost as a percentage of compensation was 6.9% in 1984 (8.1% in 1983 and 7.1% in 1982).

- Condensed financial statements for the General Electric Pension Trust, which are not consolidated with those of the Company, follow.

#### General Electric Pension Trust

##### Net assets at current value

December 31 (In millions)	1984	1983	1982
U.S. government obligations and guarantees	\$ 2,238	\$2,004	\$1,580
Corporate bonds and notes	1,076	1,037	1,144
Real estate and mortgages	1,976	1,341	1,053
Common stocks and other equity securities	5,782	5,180	4,247
	11,072	9,562	8,024
Cash and short-term investments	145	256	270
Other assets — net	133	68	146
Net assets	<u>\$11,350</u>	<u>\$9,886</u>	<u>\$8,440</u>

##### Change in net assets at current value

For the year (In millions)	1984	1983	1982
Net assets at January 1	\$ 9,886	\$8,440	\$6,579
Company contributions	503	545	470
Employee contributions	101	87	102
Investment income	931	857	796
Benefits paid	(421)	(376)	(331)
Unrecognized portion of change in current value	350	333	824
Net assets at December 31	<u>\$11,350</u>	<u>\$9,886</u>	<u>\$8,440</u>

Investment income of the Trust, including systematic recognition of common stock appreciation, as a percentage of the average carrying value of the portfolio was 10.3% in 1984, 10.8% in 1983 and 11.6% in 1982.

- The General Electric Supplementary Pension Plan, an unfunded plan providing supplementary retirement benefits primarily to long-service professional and managerial employees in the United States, is another significant plan. Changes in prior-service liabilities along with other gains and losses are amortized over a period of 20 years. Current service costs and amortization are charged to costs currently and are recorded as Company liabilities.

- A calculation and disclosure of the present value of accumulated plan benefits is required by Statement of Financial Accounting Standards No. 36 (SFAS 36). The SFAS 36 benefit amounts shown on the next page differ from the data shown earlier in this note for the General Electric Pension Plan because they are based only on compensation and service to date (i.e., they exclude the expected effect of future compensation and service) and because benefits applicable to the Supplementary Plan are included. In addition, the table shows the current value of Trust assets plus accruals. General Electric believes funding comparisons for the Pension Plan shown earlier in this note are more realistic because the benefit



amounts include the expected effect of future compensation and service, and because Trust assets are valued on a basis which minimizes the impact of short-term market fluctuations. The interest rate assumptions used in determining the present value of benefits are the same as discussed previously for the Pension Plan.

#### **General Electric Pension Plan and Supplementary Pension Plan**

December 31 (In millions)	1984	1983	1982
SFAS 36 estimated present value of accumulated plan benefits:			
Vested benefits	\$ 8,331	\$ 7,939	\$ 7,160
Non-vested benefits	709	557	528
Total accumulated benefits	<u>\$ 9,040</u>	<u>\$ 8,496</u>	<u>\$ 7,688</u>
Current value of Trust assets plus accruals	<u>\$11,695</u>	<u>\$10,172</u>	<u>\$ 8,682</u>

• **Retiree health care and life insurance benefits.** General Electric and its affiliates have a number of plans providing retiree health care and life insurance benefits. The cost of the principal U.S. plans was \$138 million in 1984.

Generally, employees who retire or terminate after qualifying for optional early retirement under the General Electric Pension Plan are eligible to participate in retiree health care and life insurance benefit plans. Health care benefits for medical and dental expenses incurred by eligible retirees under age 65 and eligible dependents are included in Company costs as covered expenses are actually incurred. For eligible retirees and spouses over age 65, scheduled hospital benefits which supplement Medicare and scheduled prescription drug benefits are provided, and the present value of future benefits is funded or accrued by the Company and included in Company costs in the year the retiree becomes eligible for benefits. The present value of life insurance benefits for eligible retirees is funded and included in Company costs in the year of retirement.

#### **4 Other income**

(In millions)	1984	1983	1982
Net earnings of General Electric Financial Services, Inc.	\$329	\$271	\$205
Income from:			
Marketable securities and bank deposits	323	239	239
Royalty and technical agreements	83	58	60
Customer financing	75	69	58
Associated companies	33	59	22
Other investments: Interest	19	28	29
Dividends	11	11	10
Other sundry items	<u>116</u>	<u>149</u>	<u>69</u>
	<u>\$989</u>	<u>\$884</u>	<u>\$692</u>

Other sundry items include pretax gains from sales of a portion of GE's long-held passive investment in equity securities of Toshiba Corporation (\$39 million in 1984 and \$73 million in 1983).

#### **5 Interest and other financial charges**

Interest capitalized on major property, plant and equipment and real estate development projects was \$22 million in 1984, \$19 million in 1983 and \$38 million in 1982.

#### **6 Unusual items**

During 1984, the Company again took a number of important steps targeted at maintaining an improving competitive position, both currently and in the future. A summary of unusual transactions which were part of these corporate-wide activities follows.

• Several business dispositions to implement corporate strategies were completed. These included:

Sale of most of Utah International Inc. in April to The Broken Hill Proprietary Company Limited (BHP) in a transaction valued at \$2.4 billion, representing the cash proceeds from the sale as well as the value of the 15.5% interest in several Australian coal properties which the Company retained. GE also continues to own Ladd Petroleum Corporation, formerly a wholly owned Utah affiliate, and retains certain other Utah financial interests in the United States. GE's share of the total assets of new and retained properties at December 31, 1984, is shown under "Natural resources" in note 22. Natural resources assets in that table at year-end 1983 and 1982 included Utah in its entirety. Natural resources operating results for 1984 as summarized on page 34 include revenues of \$373 million and net earnings of \$70 million, representing total revenues and net earnings of Utah for the first quarter, while results for the remainder of 1984 are only for the properties owned since the beginning of April. The unusual gain from the Utah transaction was \$500 million before taxes and after providing for future contractual obligations.



Sale of General Electric's small household appliance operations, both domestically and abroad, to The Black and Decker Manufacturing Company (B&D) in April. Small appliance operations accounted for less than 2% of GE's consolidated sales. This transaction did not include GE's audio electronics product lines nor any other GE consumer products, such as major appliance, video and lighting products. GE received cash, 3 million shares of B&D common stock and approximately \$50 million in a three-year note. GE has agreed not to sell the B&D stock nor to purchase additional B&D stock for a period of two years from closing. The note is interest-free for the first year and bears interest of 9% annually thereafter. The unusual gain from the small household appliance disposition was \$28 million before taxes and after providing for future contractual obligations.

Merger of General Electric Cablevision Corporation in the fourth quarter of 1984 into a subsidiary of United Artists Cablesystems Corporation (Cablesystems), which is a subsidiary of United Artists Communications. In this transaction, GE received cash and 37% of the stock of Cablesystems. Cablevision operations have been minor in relation to GE's total results. The unusual gain on this transaction was \$89 million before taxes and after providing for future contractual obligations.

- Substantial progress was made on plans to reappraise and refocus a variety of business and marketing activities. Total unusual provisions for business restructuring expenses in 1984 aggregated \$636 million before taxes. These provisions relate to costs of rationalizing and improving a number of production facilities, rearranging production activities among certain existing plants, and reorganizing, phasing out or otherwise concluding other activities. In addition, goodwill and intangibles were revalued downward by \$126 million to recognize the rapid changes which are occurring in certain high-technology businesses.
- Total pretax gains (\$617 million) from unusual 1984 business disposition activities were less than total pretax charges (\$762 million) for business restructuring and goodwill and intangible revaluations. However, because of differing income tax rates applicable to the various transactions, these unusual activities after provision for income taxes had no effect on net earnings.

Unusual items in 1983 included pretax gains from the divestiture of all but one of the Company's radio and broadcasting television stations (\$81 million) as well as sale of the Company's minority position in Gearhart Industries (\$36 million). Where decisions were made to implement plant rationalization and business exit plans, provision was made for consequent unusual costs totaling \$147 million. There was no effect on the Company's 1983 earnings from these transactions.

The Statement of Earnings for 1982 has not been reclassified for the relatively small effect of unusual transactions in that year involving sale of GE's central air conditioning business and plant rationalization expense of the consumer products businesses.

## 7 Provision for income taxes

(In millions)	1984	1983	1982
U.S. federal income taxes:			
Estimated amount payable	\$1,051	\$657	\$422
Effect of timing differences	(129)	(5)	79
Investment credit deferred — net	41	5	44
	<u>963</u>	<u>657</u>	<u>545</u>
Foreign income taxes:			
Estimated amount payable	143	263	301
Effect of timing differences	(85)	10	15
	<u>58</u>	<u>273</u>	<u>316</u>
Other (principally state and local income taxes)	44	45	39
	<u>\$1,065</u>	<u>\$975</u>	<u>\$900</u>

All General Electric consolidated U.S. federal income tax returns have been closed through 1972.

- Provision has been made for U.S. federal income taxes to be paid on that portion of the undistributed earnings of affiliates and associated companies expected to be remitted to the parent Company. Undistributed earnings intended to be reinvested indefinitely in affiliates and associated companies totaled \$900 million at the end of 1984, \$1,598 million at the end of 1983 and \$1,427 million at the end of 1982.
- General Electric Financial Services, Inc. (GEFS) is a nonconsolidated affiliate for financial reporting but is included in General Electric's consolidated U.S. federal income tax return. Taxes payable by the consolidated companies shown in the preceding table exclude the effect of significant tax credits and deductions of GEFS, which



arise primarily from leasing activities. GE and GEFS together had net taxes payable for 1984 following net recoverable amounts in each of the two previous years which were realized by carryback against prior years' taxes. GEFS' existing leases will generate taxable income in future years which is provided for in GEFS' deferred income taxes (see note 13).

- Some items are reported in financial statements in different years than they are included in tax returns. Deferred taxes are provided on these timing differences as summarized below.

#### Effect of timing differences on U.S. federal income taxes

Increase (decrease) in provision for income taxes (In millions)	1984	1983	1982
Tax over book depreciation	\$ 168	\$ 54	\$ 66
Undistributed earnings of affiliates and associated companies	(36)	(32)	(4)
Margin on installment sales	28	(8)	14
Provision for warranties	24	(5)	14
Other — net	(313)	(14)	(11)
	<u>\$ (129)</u>	<u>\$ (5)</u>	<u>\$ 79</u>

Other net for 1984 reflects a number of individual timing differences related to various portions of transactions involving business dispositions, restructuring expense provisions and reductions of intangibles.

- Investment tax credit amounted to \$110 million in 1984, compared with \$72 million in 1983 and \$103 million in 1982. In 1984, \$69 million was included in net earnings, compared with \$67 million in 1983 and \$59 million in 1982. At the end of 1984, the amount deferred which will be included in net earnings in future years was \$379 million.

#### Reconciliation from statutory to effective income tax rates

	1984	1983	1982
U.S. federal statutory rate	46.0%	46.0%	46.0%
Reduction in taxes resulting from:			
Varying tax rates of consolidated affiliates (including DISC)	(3.8)	(5.9)	(6.9)
Inclusion of earnings of GEFS in before-tax income on an after-tax basis	(4.5)	(4.1)	(3.4)
Unusual items (varying tax rates)	(2.3)	(0.6)	—
Investment credit	(2.1)	(2.2)	(2.1)
Income tax at capital gains rate	(0.3)	(0.6)	(0.4)
Other — net	(1.3)	(0.5)	(0.5)
Effective tax rate	<u>31.7%</u>	<u>32.1%</u>	<u>32.7%</u>

- Based on the location of the component furnishing goods or services, domestic income before taxes was \$3,025 million in 1984 (\$2,364 million in 1983 and \$2,050 million in 1982). The corresponding amounts for foreign-based operations were \$331 million, \$669 million and \$703 million in each of the last three years, respectively. Provision for income taxes is determined on the basis of the jurisdiction imposing the tax liability. Therefore, U.S. and foreign taxes shown on page 41 do not compare directly with these segregations.

## 8 Cash and marketable securities

Deposits restricted as to usage and withdrawal or used as partial compensation for short-term borrowing arrangements were not material.

Carrying value of marketable securities was substantially the same as market value at year-end 1984 and 1983. Equity securities in the portfolio were carried at a cost of \$56 million and \$20 million at December 31, 1984 and 1983, respectively.

## 9 Current receivables

December 31 (In millions)	1984	1983
Receivable from:		
Customers	\$4,259	\$4,041
Associated companies	115	99
Nonconsolidated affiliates	50	26
Others	<u>1,178</u>	<u>1,185</u>
	5,602	5,351
Less allowance for losses	<u>(93)</u>	<u>(102)</u>
	<u>\$5,509</u>	<u>\$5,249</u>

## 10 Inventories

December 31 (In millions)	1984	1983
Raw materials and work in process	\$2,199	\$1,965
Finished goods	1,290	1,009
Unbilled shipments	<u>181</u>	<u>184</u>
	<u>\$3,670</u>	<u>\$3,158</u>

About 84% of total inventories is valued using the LIFO method of inventory accounting.

- If the FIFO method of inventory accounting had been used to value all inventories, they would have been \$2,027 million higher than reported at December 31, 1984 (\$2,152 million higher at year-end 1983).
- Reductions in inventory levels, because of changing business conditions or business dispositions, have resulted in liquidations of some LIFO bases in each of the last three years and, consequently, LIFO reserves were reduced by \$157 million (1984), \$132 million (1983) and \$267 million (1982). Of these reductions, \$32 million in 1984 and \$36 million in 1982 were because of business dispositions. Lower inventory levels in certain businesses (mainly power systems in 1984 and 1983, and more widely spread in 1982) resulted in LIFO reserve reductions of \$125 million, \$132 million and \$231 million in each of the last three years, respectively. These reductions were partly offset by increases in LIFO reserves of \$32 million in 1984 (\$18 million in 1983 and \$68 million in 1982) to reflect higher resource prices.



## 11 Property, plant and equipment

(In millions)	1984	1983
Major classes at December 31:		
Manufacturing plant and equipment		
Land and improvements	\$ 181	\$ 192
Buildings, structures and related equipment	3,178	2,965
Machinery and equipment	9,353	8,533
Leasehold costs and manufacturing plant under construction	823	578
Mineral property, plant and equipment	1,234	2,538
	<u>\$14,769</u>	<u>\$14,806</u>
Cost at January 1	\$14,806	\$13,843
Additions	2,488	1,721
Dispositions	(2,509)	(716)
Other changes	(16)	(42)
Cost at December 31	<u>\$14,769</u>	<u>\$14,806</u>
<b>Accumulated depreciation, depletion and amortization</b>		
Balance at January 1	\$ 7,109	\$ 6,535
Current-year provision	1,100	1,084
Dispositions	(1,163)	(507)
Other changes	33	(3)
Balance at December 31	<u>\$ 7,079</u>	<u>\$ 7,109</u>
<b>Property, plant and equipment less depreciation, depletion and amortization at December 31</b>	<u>\$ 7,690</u>	<u>\$ 7,697</u>

## 12 Funds held for business development

Funds held for longer-term, future business development are invested in a variety of securities, principally state, county and municipal bonds and U.S. Treasury Notes. Estimated realizable value of these investments was about the same as cost at December 31, 1984 and 1983.

## 13 Other investments

December 31 (In millions)	1984	1983
Nonconsolidated financial services affiliates	\$1,898	\$1,573
Associated companies	427	443
Miscellaneous investments (at cost):		
Government and government-guaranteed securities	183	159
Other	289	210
	<u>472</u>	<u>369</u>
Marketable equity securities	130	130
Less allowance for losses	(24)	(25)
	<u>\$2,903</u>	<u>\$2,490</u>

Investments in nonconsolidated affiliates and associated companies included advances of \$33 million at December 31, 1984 (\$50 million at December 31, 1983).

• During 1984, General Electric formed a new wholly owned, nonconsolidated affiliate, General Electric Financial Services, Inc. (GEFS). GEFS includes General Electric Credit Corporation (GECC), formerly a wholly owned, nonconsolidated finance subsidiary of GE, and Employers Reinsurance Corporation (ERC), which was acquired by GEFS on July 2, 1984. The transfer of GECC to GEFS was accounted for by combining the assets and liabilities

of GECC with GEFS at historical cost. The GEFS acquisition of ERC was accounted for as a purchase. During the normal course of business, GEFS and its affiliates have minor transactions with General Electric Company and certain of its consolidated affiliates. Virtually all products financed by GECC are manufactured by companies other than General Electric. GEFS is included in GE's consolidated U.S. federal income tax return. Condensed consolidated financial statements for GEFS follow.

### General Electric Financial Services, Inc.

#### Current and retained earnings

For the year (In millions)	1984	1983	1982
Earned income	\$2,933	\$1,949	\$1,939
Expenses:			
Interest and discount	1,123	856	1,018
Operating and administrative	763	571	506
Losses and policyholder benefits of insurance affiliates	583	92	72
Provision for losses			
— receivables	109	109	115
— other assets	1	1	5
	<u>2,579</u>	<u>1,629</u>	<u>1,716</u>
Earnings before income taxes	354	320	223
Provision for income taxes	(25)	(49)	(18)
Net earnings	329	271	205
Less dividends	—	(217)	(163)
Retained earnings at January 1	397	343	301
Retained earnings at December 31	<u>\$ 726</u>	<u>\$ 397</u>	<u>\$ 343</u>

#### Financial position

December 31 (In millions)	1984	1983
Financing receivables:		
Time sales and loans, net of deferred income	\$10,087	\$ 8,115
Investment in financing leases	5,922	4,184
	<u>16,009</u>	<u>12,299</u>
Allowance for losses	(406)	(357)
Financing receivables — net	15,603	11,942
Cash, short-term investments and marketable securities	2,644	1,781
Other receivables — net	715	461
Equipment on operating leases — net	1,013	955
Other assets	1,446	580
Total assets	<u>\$21,421</u>	<u>\$15,719</u>
Notes payable:		
Due within one year	\$ 9,331	\$ 7,380
Long-term — senior	3,641	2,862
— subordinated	430	470
Reserves of insurance affiliates	1,974	246
Other liabilities	1,031	832
Total liabilities	<u>16,407</u>	<u>11,790</u>
Deferred income taxes	3,088	2,327
Deferred investment tax credits	52	53
Capital stock	1	1
Additional paid-in capital	1,152	1,151
Retained earnings	726	397
Unrealized loss on securities held by insurance affiliates	(5)	—
Equity	<u>1,874</u>	<u>1,549</u>
Total liabilities, deferred tax items and equity	<u>\$21,421</u>	<u>\$15,719</u>

GEFS' pro forma net earnings for the years 1984 and 1983, assuming acquisition of ERC had been completed at the beginning of each of those years, would have been about the same as amounts actually reported above.

More information about GECC is available in its Annual Report, which may be obtained from General Electric Credit Corporation, P.O. Box 8300, Stamford, Conn. 06904. Complete GEFS financial statements are in GE's Form 10-K (see page 57 for availability).

- Miscellaneous investments had an estimated realizable value about the same as cost at year-end 1984 and 1983.
- Marketable equity securities are carried at cost. Aggregate market value of marketable equity securities was \$267 million and \$385 million at year-end 1984 and 1983, respectively. At December 31, 1984, gross unrealized gains on marketable equity securities were \$181 million and gross unrealized losses were \$44 million.

#### 14 Other assets

December 31 (In millions)	1984	1983
Long-term receivables	\$ 586	\$ 589
Recoverable engineering costs on government contracts	349	221
Real estate development projects	159	153
Goodwill	145	190
Deferred charges	131	259
Deferred income taxes	128	—
Licenses and other intangibles	107	152
Customer financing	100	115
Other	66	55
	<u>\$1,771</u>	<u>\$1,734</u>

Deferred income taxes are included in "Other liabilities" in 1983.

#### 15 Short-term borrowings

December 31 (In millions)	1984		1983	
	Amount	Average rate at Dec. 31	Amount	Average rate at Dec. 31
Parent notes with trust departments	\$ 291	8.0%	\$ 322	9.6%
Consolidated affiliate bank borrowings	565	30.3	472	34.4
Other, including current portion of long-term borrowings	191		222	
	<u>\$1,047</u>		<u>\$1,016</u>	

- The average balance of short-term borrowings, excluding the current portion of long-term borrowings, was \$883 million in 1984 (calculated by averaging all month-end balances for the year), compared with an average balance of \$925 million in 1983. The maximum balances in these calculations were \$1,046 million and \$1,011 million at the end of March 1984 and May 1983, respectively. The average worldwide effective interest rate for the year 1984 was 20.5% and for 1983 was 20.8%. These average rates represent total short-term interest incurred divided by the average balance outstanding.
- Other borrowings included amounts from nonconsolidated affiliates of \$78 million at December 31, 1984 (\$92 million at December 31, 1983).

- Although the total unused credit available to the Company through banks and commercial credit markets is not readily quantifiable, confirmed credit lines of approximately \$1 billion had been extended by about 64 banks at year-end 1984. Substantially all of these lines are available for use by General Electric Credit Corporation and General Electric Financial Services, Inc. in addition to their own credit lines.

#### 16 Accounts payable

December 31 (In millions)	1984	1983
Trade accounts	\$1,644	\$1,538
Collected for the account of others	179	212
Due to nonconsolidated affiliates	108	243
	<u>\$1,931</u>	<u>\$1,993</u>

#### 17 Other costs and expenses accrued

The balances at year-end 1984 and 1983 included compensation and benefit costs accrued of \$769 million and \$751 million, respectively.

#### 18 Long-term borrowings

Outstanding December 31 (In millions)	1984	1983	Due date	Sinking fund/prepayment period
General Electric Company:				
5¾% Notes	\$ 38	\$ 44	1991	1972-90
5.30% Debentures	34	35	1992	1973-91
7½% Debentures	95	108	1996	1977-95
8½% Debentures	217	251	2004	1985-03
Industrial Development Bonds	152	84	Various	
General Electric Overseas Capital Corporation:				
4¼% Bonds	—	21	1985	1976-84
4¼% Debentures	29	36	1987	None
5½% Sterling/Dollar Guaranteed Loan Stock	2	4	1993	None
Utah International Inc.	—	93		
All other	186	239		
	<u>\$753</u>	<u>\$915</u>		

- Borrowings of General Electric Overseas Capital Corporation (GEOCC) are unconditionally guaranteed by General Electric as to payment of principal, premium (if any) and interest. Borrowings included 4¼% Guaranteed Debentures due in 1987, which are convertible into GE common stock at \$40.375 a share; and 5½% Sterling/Dollar Guaranteed Loan Stock due in 1993 in the amount of £2 million (\$2 million), convertible into GE common stock at \$36.75 a share. Requirements for the maximum number of shares for GEOCC convertible debt (859,000 shares at December 31, 1984) may be met either from unissued shares or from shares in treasury.
- All other long-term borrowings include a variety of loans by affiliates and parent components with various



interest rates and maturities. Amounts due to nonconsolidated affiliates were \$6 million in 1984 and \$7 million in 1983.

- **Long-term borrowing maturities** during the next five years, including the portion classified as current, are \$100 million in 1985, \$90 million in 1986, \$117 million in 1987, \$29 million in 1988 and \$21 million in 1989. These amounts are after deducting debentures which have been reacquired for sinking fund needs.

## 19 Share owners' equity

Preferred stock up to 2,000,000 shares (\$1.00 par value) is authorized, but no such shares have been issued.

In April 1983, share owners authorized (a) an increase in the number of common shares to 550,000,000 (\$1.25 par value each) from the former 251,500,000 (\$2.50 par value each) and (b) the split of each previously issued share, including those held in treasury, into two shares of common stock each with a par value of \$1.25. Data reflecting the split are summarized in the table below.

### Shares of common stock

December 31 (In thousands)	1984	1983	1982
Issued	462,928	462,928	462,928
In treasury	(8,052)	(8,297)	(7,264)
Outstanding	<u>454,876</u>	<u>454,631</u>	<u>455,664</u>

Changes in share owners' equity are summarized below.

### Share owners' equity

(In millions)	1984	1983	1982
<b>Common stock issued</b>			
Balance January 1 and December 31	<u>\$ 579</u>	<u>\$ 579</u>	<u>\$ 579</u>
<b>Other capital</b>			
Balance January 1	\$ 657	\$ 676	\$ 657
Cumulative foreign currency translation adjustments	(10)	(16)	—
Unrealized losses on securities held by insurance affiliates	(5)	—	—
Gain (loss) on treasury stock dispositions	(2)	(3)	19
Balance December 31	<u>\$ 640</u>	<u>\$ 657</u>	<u>\$ 676</u>
<b>Retained earnings</b>			
Balance January 1	\$10,317	\$ 9,145	\$8,088
Net earnings	2,280	2,024	1,817
Dividends declared	(930)	(852)	(760)
Balance December 31	<u>\$11,667</u>	<u>\$10,317</u>	<u>\$9,145</u>
<b>Common stock held in treasury</b>			
Balance January 1	\$ 283	\$ 202	\$ 196
Purchases	284	319	222
Dispositions:			
Employee savings plans	(133)	(101)	(103)
Stock options and appreciation rights	(39)	(53)	(57)
Employee stock ownership plan	(37)	(27)	(37)
Dividend Reinvestment and Share Purchase Plan	(26)	(15)	—
Exchange for GE long-term debt	(20)	(18)	(12)
Conversion of GEOCC long-term debt	(11)	(19)	—
Business acquisitions	(8)	(2)	(2)
Incentive compensation plans	20	(3)	(5)
Balance December 31	<u>\$ 313</u>	<u>\$ 283</u>	<u>\$ 202</u>

## 20 Other stock-related information

Stock option plans, appreciation rights and performance units are described in the Company's current Proxy Statement. Requirements for stock option shares may be met from either unissued or treasury shares. During 1984, options were granted to 582 employees. As of December 31, 1984, approximately 584 individuals were eligible to receive options, and 909 persons held options exercisable then or in the future.

### Stock option information

(Shares in thousands)	Shares subject to option	Average per share	
		Option price	Market price
Balance at January 1, 1984	9,100	\$38.20	\$58.63
Options granted	1,618	56.11	56.11
Options exercised	(767)	26.18	55.96
Options surrendered on exercise of appreciation rights	(645)	27.47	57.24
Options terminated	(175)	47.00	
Balance at December 31, 1984	<u>9,131</u>	37.08	56.63

Outstanding options and rights expire, and the award period for outstanding performance units ends, on various dates from January 1, 1985, to December 14, 1994. The number of shares available for granting additional options at the end of 1984 was 13,796,147 (15,217,442 at the end of 1983).

Requirements for shares of stock for incentive compensation plans as described in the Company's Proxy Statement may be met either from unissued shares or from shares in treasury. As of December 31, 1984, approximately 4,655 individuals were eligible to receive allotments under incentive compensation plan rules. Allotments were made for services rendered during 1984 to 3,809 employees.

## 21 Commitments and contingent liabilities

Lease commitments and contingent liabilities, consisting of guarantees, pending litigation, taxes and other claims, in the opinion of the management, are not considered to be material in relation to the Company's financial position.

## 22 Industry segment details

Revenues and net earnings by industry segment for each of the last five years are included in the Summary of

Industry Segments on page 34 of this Report. Additional detail is shown in the tables below.

(In millions)	<b>External sales and other income</b>			<b>Intersegment sales</b>			<b>Operating profit</b>		
	For the years ended December 31			For the years ended December 31			For the years ended December 31		
	1984	1983	1982	1984	1983	1982	1984	1983	1982
Consumer products	\$ 3,732	\$ 3,650	\$ 3,866	\$ 126	\$ 91	\$ 77	\$ 407	\$ 310	\$ 297
Major appliances	3,650	3,078	2,750	—	—	1	462	383	166
Industrial systems	3,935	3,880	4,371	339	348	334	201	190	305
Power systems	5,797	5,686	5,877	213	192	216	789	709	690
Aircraft engines	3,731	3,435	3,092	104	60	48	510	403	344
Materials	2,117	1,964	1,703	124	96	88	470	329	271
Technical products and services	4,578	3,759	3,479	225	64	67	495	385	399
Financial services	448	397	286	—	—	—	355	306	216
Natural resources	609	1,579	1,575	—	—	—	192	479	499
Total segment operating profit	—	—	—	—	—	—	3,881	3,494	3,187
Interest and financial charges	—	—	—	—	—	—	(333)	(370)	(344)
Unusual items	—	—	—	—	—	—	(145)	(30)	—
Corporate items and eliminations	339	253	193	(1,131)	(851)	(831)	(47)	(61)	(90)
Total	<u>\$28,936</u>	<u>\$27,681</u>	<u>\$27,192</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$3,356</u>	<u>\$3,033</u>	<u>\$2,753</u>

In general, it is GE policy to price internal sales as nearly as practical to equivalent commercial selling prices. About one-fifth of external sales in 1984 were to agencies

of the U.S. government, the Company's largest single customer. Most of these sales were aerospace and aircraft engine products and services.

(In millions)	<b>Assets</b>		
	At December 31		
	1984	1983	1982
Consumer products	\$ 2,382	\$ 2,297	\$ 1,997
Major appliances	1,370	1,030	1,101
Industrial systems	2,670	2,569	2,478
Power systems	3,689	3,242	3,574
Aircraft engines	3,317	2,523	2,174
Materials	2,362	2,030	1,682
Technical products and services	2,778	2,052	1,698
Investment in financial services	2,312	1,929	1,634
Natural resources	946	2,558	2,565
Corporate items and eliminations	2,904	3,058	2,712
Total	<u>\$24,730</u>	<u>\$23,288</u>	<u>\$21,615</u>

<b>Property, plant and equipment</b>					
For the years ended December 31					
Additions			Depreciation, depletion and amortization		
1984	1983	1982	1984	1983	1982
\$ 283	\$ 235	\$ 180	\$ 143	\$ 120	\$ 124
111	80	78	75	68	73
264	228	251	151	158	139
243	252	228	179	173	185
356	218	140	136	129	93
425	231	243	149	147	120
340	216	198	166	124	106
—	—	—	—	—	—
347	162	237	67	122	114
119	99	53	34	43	30
<u>\$2,488</u>	<u>\$1,721</u>	<u>\$1,608</u>	<u>\$1,100</u>	<u>\$1,084</u>	<u>\$ 984</u>

- Net earnings for industry segments on page 34 include allocation of corporate financing income and expense to parent Company components based on change in individual component average non-fixed investment. Affiliated companies servicing their own debt record interest and financial charges directly.

General corporate expenses are allocated principally on the basis of cost of operations, with exceptions which recognize the varying degrees to which certain affiliated companies maintain their own corporate structures.

Provision for income taxes is allocated on the basis of total corporate effective tax rate, except for financial services, natural resources and unusual transactions, whose income taxes are calculated separately.

Minority interest is allocated to operating components responsible for investments in consolidated affiliates.

- Industry segment data for prior years have been re-stated (except for aircraft engines and natural resources) because the grouping of products and services for industry segment purposes was revised in 1984 to reflect the evolution in the competitive environment in which the Company operates. These changes generally parallel significant modifications that were made in the organization structure of the decentralized building blocks on which the Company's management and reporting systems are based, except that industry segment data are aggregated on a worldwide basis.

The more important 1984 organization changes were the establishment of the new Industrial Systems Sector, and discontinuance of the Technical Systems Sector and the Services and Materials Sector. Industrial systems consists of all businesses serving the broad industrial



market, including several businesses from each discontinued sector. In addition, responsibility for a number of businesses formerly in the discontinued sectors has been assigned directly to the Corporate Executive Office. Principal assignments of this type include aerospace, information services, medical systems, plastics, engineered materials and financial services operations.

A summary description of each of the industry segments for 1984 follows.

- Consumer products consists of lighting products, video and audio products, batteries, mobile communications equipment and KCNC-TV (Denver). Lighting products include a wide variety of lamps: incandescent, fluorescent, photo, miniature, high intensity and specialty. Markets and customers are extremely varied, ranging from household users served through retail outlets to original equipment manufacturers, such as the automotive industry. Video and audio products include television receivers, video cassette recorders, radios, tape recorders, citizens band radios and household telephone products, all of which are distributed principally to retail outlets. Batteries are principally the nickel-cadmium and sealed-lead rechargeable type sold to manufacturers and through consumer retail channels. Mobile communications products consist mainly of land-based FM two-way and one-way radio equipment and cellular telephones for a variety of customers. This segment also included broadcasting, cablevision and household appliance operations through the dates of their dispositions (see note 6).

- Major appliances includes both General Electric and Hotpoint brands of kitchen and laundry equipment, such as refrigerators, ranges, microwave ovens, freezers, dishwashers, clothes washers and dryers, and room air conditioners. A major portion of major appliance sales are to a variety of retail outlets. The other principal market consists of residential building contractors who install major appliances in new dwellings.

- Industrial systems includes industrial electronics, semiconductors, motors, electrical equipment for industrial and commercial construction, General Electric Supply Company Division and transportation systems. Customers for industrial systems generally include industrial distributors, original equipment manufacturers and industrial end users. Industrial electronics covers a broad range of electrical and electronic products, with increasing emphasis on factory and advanced engineering automation applications. Semiconductor operations provide the latest in semiconductor technologies to other GE operations as well as to external customers. An affiliate (Intersil) is a supplier of advanced integrated circuits and data acquisition products to the merchant market as well as being a source of integrated circuits for GE's diversified product lines. Motors and motor-related products consist mainly of appliance motors and controls but also include larger sizes of motors for a broad range of industrial users. Motor products are used within GE and are also sold externally. Electrical construction equipment

focuses on electrical distribution and circuit protection equipment needed for installation in commercial, industrial and residential buildings. General Electric Supply Company Division operates a nationwide network of electrical supply houses. Transportation systems include diesel-electric and electric locomotives, transit propulsion equipment, motorized wheels for off-highway vehicles, such as those used in mining operations, and drilling drives. Locomotives are sold principally to domestic and foreign railroads while markets for other products include state and urban transit authorities and industrial users.

- Power systems is composed principally of products for the generation, transmission and distribution of electricity; industrial drives; and related construction, installation, engineering and repair services. Steam turbine-generators are sold to the electric utility industry, to the U.S. Navy, and, for cogeneration, to private industrial customers. Marine steam turbines and propulsion gears are also sold to the U.S. Navy. Gas turbines are used principally as packaged power plants for electric utilities and for industrial cogeneration and mechanical drive applications. Nuclear operations have become increasingly oriented toward plant support services and fuel assemblies with considerably less effort devoted to boiling water-type power reactors, inasmuch as there have been no new nuclear plant orders in the United States since the mid-1970s and activity in international markets remains modest. Power delivery products include transformers, relays, electric load management systems, power conversion systems and meters, principally for electric utilities. Construction and engineering services include management and technical expertise for large projects, such as transmission lines; maintenance, inspection, repair and rebuilding of electrical apparatus produced by GE and others; on-site engineering and upgrading of already installed products sold by GE and others; and environmental systems for utility customers.

- Aircraft engines and replacement parts are manufactured and sold by GE for use in military and commercial aircraft and also in naval ships and as industrial power sources. General Electric's military engines are used in a wide variety of planes from helicopters to fighters, bombers and transports. The CF6 engine family includes the principal commercial jet engine used in the McDonnell Douglas DC-10 and Airbus Industrie A300 and, to some extent, in the Boeing 747. More advanced engine models have been chosen by domestic and foreign airlines to power the Boeing 767 and the Airbus Industrie A310 and A300-600. General Electric also works with SNECMA of France to produce the CFM56 engine family, which has been selected to power a wide variety of commercial and military aircraft. GE also produces jet engines for executive aircraft and regional commuter airlines.

- Materials includes high-performance engineered plastics, silicones, industrial cutting materials and laminates, which are sold to a diverse customer base (mainly manufacturers) in the United States and abroad.

- **Technical products and services** consists of high-technology operations providing products, systems and services to a variety of customers. Aerospace products span space sciences, electronics and microelectronics, ordnance systems, avionics, computer software, and simulation and control systems. Most aerospace sales are to the U.S. government. Medical systems include computed tomography (CT) scanners, X-ray, nuclear medicine, ultrasound, and other diagnostic equipment and supporting services sold to domestic and foreign hospitals and medical facilities. A major current development effort is focused on the new magnetic resonance (MR) diagnostic scanner. Information services are provided both to internal and external customers by General Electric Information Services Company. Enhanced communications services, including data network services, electronic mail, electronic data interchange and automated clearinghouse services, are offered to commercial and industrial customers through a worldwide network. Other information services include application software packages, the rental and maintenance of computer and communications equipment, and contract systems design and programming services. Calma Company designs, manufactures and sells interactive graphic systems for computer-aided design and manufacturing.

- **Financial services** includes a nonconsolidated affiliate, General Electric Financial Services, Inc. (GEFS), and its two wholly owned affiliates, General Electric Credit Corporation (GECC) and Employers Reinsurance Corporation (ERC). See note 13 for more information about these entities. GECC primarily engages directly or through affiliates in distribution sales financing, commercial and industrial financing, and real estate financing. Strong emphasis on leasing has been a major factor in GECC's growth in recent years. ERC is a major participant in the property/casualty reinsurance business in the United States. Other financial services activities include two consolidated affiliates: General Electric Venture Capital Corporation provides venture capital, primarily to new or existing high-technology companies; and General Electric Real Estate Credit Corporation is an equity investor in selected real estate development projects.

- **Natural resources** through the first quarter of 1984 consisted of Utah International Inc. See note 6 for information pertaining to the disposition of most of this affiliate. Residual operations since the disposition consist of Ladd Petroleum Corporation, an oil and natural gas developer and supplier with operations mainly in the United States; GE's 15.5% share of certain Australian coking coal consortia; and miscellaneous other properties.

## 23 Geographic segment information

(In millions)	<b>Revenues</b>								
	For the years ended December 31								
	Total revenues			Intersegment sales			External sales and other income		
	1984	1983	1982	1984	1983	1982	1984	1983	1982
United States	\$25,968	\$23,513	\$22,311	\$ 680	\$ 590	\$ 609	\$25,288	\$22,923	\$21,702
Far East including Australia	1,017	1,603	1,453	440	430	316	577	1,173	1,137
Other areas of the world	3,330	3,826	4,568	259	241	215	3,071	3,585	4,353
Intracompany eliminations	(1,379)	(1,261)	(1,140)	(1,379)	(1,261)	(1,140)	—	—	—
Total	<u>\$28,936</u>	<u>\$27,681</u>	<u>\$27,192</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$28,936</u>	<u>\$27,681</u>	<u>\$27,192</u>

	<b>Net Earnings</b>			<b>Assets</b>		
	For the years ended December 31			At December 31		
	1984	1983	1982	1984	1983	1982
United States	\$2,061	\$1,667	\$1,415	\$20,880	\$18,105	\$16,379
Far East including Australia	150	278	240	681	1,458	1,337
Other areas of the world	59	80	155	3,290	3,864	4,036
Intracompany eliminations	10	(1)	7	(121)	(139)	(137)
Total	<u>\$2,280</u>	<u>\$2,024</u>	<u>\$1,817</u>	<u>\$24,730</u>	<u>\$23,288</u>	<u>\$21,615</u>

Geographic segment information (including allocation of income taxes and minority interest in earnings of consolidated affiliates) is based on the location of the operation furnishing goods or services. Unusual items in 1983 and 1984 were mainly in the United States and had no effect on net earnings as gains and losses offset each other after taxes.

The data above differ from the Total International Operations for all industry segments shown on page 34 principally because of the inclusion of export sales in the United States caption. U.S. export sales to unaffiliated customers were \$3,255 million in 1984, \$3,639 million in 1983 and \$3,312 million in 1982. Of such sales, \$1,449 million in 1984 (\$1,873 million in 1983 and \$1,829 million

in 1982) were to customers in Europe, Africa and the Middle East; and \$1,163 million in 1984 (\$1,086 million in 1983 and \$866 million in 1982) were to customers in the Far East including Australia. U.S. revenues also include royalty and licensing income from foreign sources.

Revenues, net earnings and assets associated with foreign operations are shown in the tables above. At December 31, 1984, foreign operation liabilities, minority interest in equity and GE interest in equity were \$2,271 million, \$118 million and \$1,582 million, respectively. On a comparable basis, the amounts were \$2,818 million, \$168 million and \$2,336 million, respectively, at December 31, 1983; and \$2,877 million, \$163 million and \$2,333 million, respectively, at December 31, 1982.



## 24 Effect of changing prices (unaudited)

In the "adjusted for" column in the table at right, restatements are made to (1) cost of goods sold for the current cost of replacing inventories, (2) depreciation for the current cost of plant and equipment and (3) unusual items for current cost of assets sold as evidenced by the sales proceeds. GE's 1979 and 1980 Annual Reports included technical information about methodology used in preparing these data and may be obtained from Corporate Investor Communications at the address on page 57.

Restatements of cost of goods sold are relatively small because of GE's extensive use of LIFO inventory accounting and the relatively low rate of inflation in 1984. However, restatements of depreciation expense to current levels are relatively large, reflecting the cumulative effect of price increases over a number of years since the assets were acquired. Similarly, the restatement of 1984 unusual items reflects the cumulative increase in current cost of assets sold since they were acquired.

Trends in these adjusted data over time, excluding unusual items, may be at least as useful in understanding inflation's impact as are the data for a single year. The table below presents selected data adjusted for inflation for the past five years.

## Effect of changing prices

For the year ended December 31, 1984

(In millions)	As reported	Adjusted for current costs (a)
Sales of products and services to customers	\$27,947	\$27,947
Cost of goods sold	19,460	19,560
Selling, general and administrative expense	4,542	4,542
Depreciation, depletion and amortization	1,100	1,386
Operating costs	25,102	25,488
Operating margin	2,845	2,459
Other income	989	989
Interest and other financial charges	(333)	(333)
Earnings before unusual items	3,501	3,115
Unusual items	(145)	(762)
Earnings before income taxes	3,356	2,353
Provision for income taxes	(1,065)	(1,065)
Minority interest	(11)	(9)
Net earnings	\$ 2,280	\$ 1,279
Earnings per share (in dollars)	\$ 5.03	\$ 2.82
Share owners' equity at December 31	\$12,573	\$15,774

(a) In dollars of average 1984 purchasing power.

## Selected financial data adjusted for the effect of changing prices in dollars of average 1984 purchasing power

(Dollar amounts in millions; per-share amounts in dollars)

	1984	1983	1982	1981	1980
Sales	\$27,947	\$27,949	\$28,524	\$31,110	\$31,469
Current cost information					
Net earnings before unusual items (a)	1,896	1,609	1,269	1,330	1,262
Net earnings per share before unusual items (a)	4.18	3.54	2.80	2.92	2.77
Share owners' equity at December 31	15,774	16,043	16,025	16,090	16,281
Excess of increase in general price level over increases in specific GE price levels (b)	547	592	584	803	246
Other					
Purchasing power loss on net monetary items	112	84	52	96	249
Dividends per share	2.05	1.96	1.80	1.79	1.87
Market price per share at December 31	56	60	51	31	38
Average Consumer Price Index (CPI-U; 1967 = 100)	311.1	298.4	289.1	272.4	246.8

(a) Unusual items affected current cost earnings in 1984 only. Net earnings and net earnings per share including unusual items in 1984 were \$1,279 million and \$2.82, respectively. (b) At December 31, 1984, in end-of-year dollars, the current cost of inventory was \$5,704 million and of property, plant and equipment was \$9,095 million. In dollars of average 1984 purchasing power, the increase that might have been expected from general inflation was more than the increase in specific GE current costs by the amount shown. A similar pattern is shown in the other years.

## Miscellaneous data (unaudited)

### Operations by quarter

(Dollar amounts in millions; per-share amounts in dollars)

	First quarter	Second quarter	Third quarter	Fourth quarter
<b>1984:</b>				
Sales of products and services to customers	\$6,583	\$6,664	\$6,723	\$7,977
Operating margin	607	698	691	849
Net earnings	485	579	564	652
Net earnings per share	1.07	1.28	1.24	1.44
<b>1983:</b>				
Sales of products and services to customers	\$6,098	\$6,724	\$6,547	\$7,428
Operating margin	544	658	646	701
Net earnings	425	521	499	579
Net earnings per share	0.93	1.15	1.10	1.27

Per-share amounts were adjusted for the 2-for-1 stock split in April 1983.

### Domestic employment

An analysis of GE's domestic employment for the year ended September 30, 1984, shows the following gains in equal employment opportunities for women and minorities.

The number of women managers was up 5% from 1,341 in 1983 to 1,408, and minority managers increased by 2% from 1,157 to 1,183. This activity occurred at a time when the total number of GE managers was decreasing. The number of female professionals increased from 6,138 in 1983 to 7,296, and minority professionals increased from 3,698 to 4,083, which represents substantial gains of 19% and 10%, respectively. More than 12,000 women and 5,400 minorities were promoted. Overall, women account for 27% and minorities 12% of GE employees.

# Board of Directors



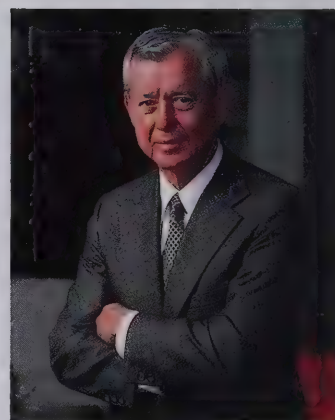
**Richard T. Baker**

Consultant to Ernst & Whinney, public accountants, Cleveland, Ohio. Director since 1977.



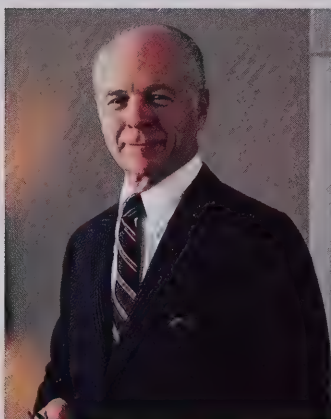
**Lawrence A. Bossidy**

Vice Chairman of the Board, Executive Officer and Director, General Electric Company, Fairfield, Conn. Director since 1984.



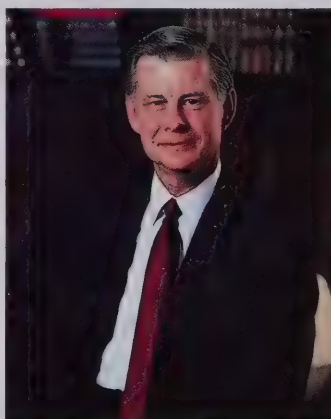
**James G. Boswell II**

Chairman of the Board, Chief Executive Officer and Director, J. G. Boswell Company, farming and related businesses, Los Angeles, Calif. Director since 1971.



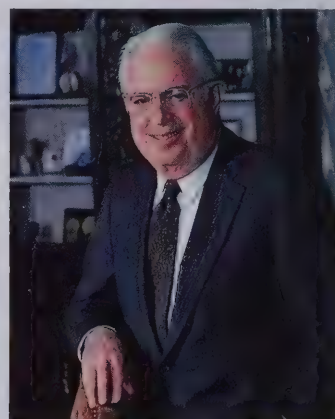
**Henry L. Hillman**

Chairman of the Board and Director, The Hillman Company, diversified operations and investments, Pittsburgh, Pa. Director since 1972.



**Edward E. Hood, Jr.**

Vice Chairman of the Board, Executive Officer and Director, General Electric Company, Fairfield, Conn. Director since 1980.



**Ralph Lazarus**

Chairman Emeritus, Federated Department Stores, Inc., Cincinnati, Ohio. Director since 1962.



**Lewis T. Preston**

Chairman of the Board and Director, J. P. Morgan & Co. Incorporated and Morgan Guaranty Trust Company, New York, N.Y. Director since 1976



**Frank H. T. Rhodes**

President, Cornell University, Ithaca, N.Y. Director since 1984.



**Andrew C. Sigler**

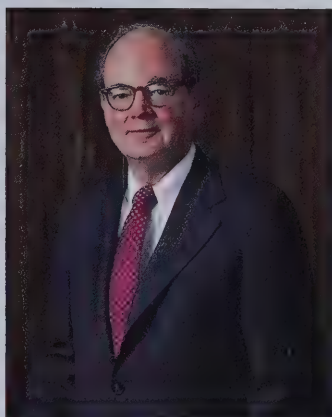
Chairman of the Board, Chief Executive Officer and Director, Champion International Corporation, paper and forest products, Stamford, Conn. Director since 1984.





**Silas S. Cathcart**

Chairman of the Board and Director, Illinois Tool Works Inc., diversified products, Chicago, Ill. Director since 1972.



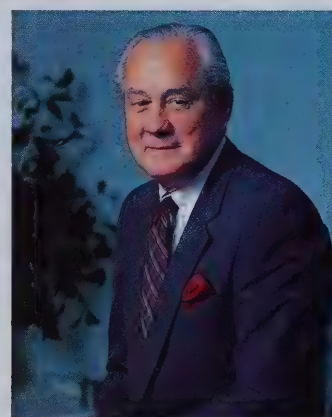
**Charles D. Dickey, Jr.**

Director and retired Chairman of the Board, Scott Paper Company, Philadelphia, Pa. Director since 1972.



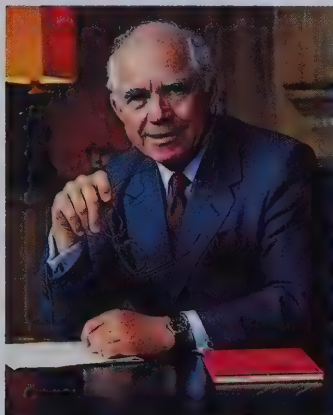
**Lawrence E. Fouraker**

Fellow, John F. Kennedy School of Government, Harvard University, Cambridge, Mass. Director since 1981.



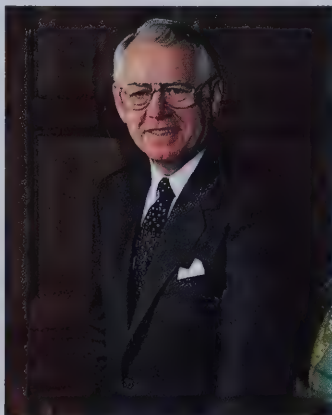
**Henry H. Henley, Jr.**

Chairman of the Board, Chief Executive Officer and Director, Cluett, Peabody & Co., Inc., manufacturing and retailing of apparel, New York, N.Y. Director since 1972.



**Edmund W. Littlefield**

Chairman of the Executive Committee and Director, Utah International Inc., San Francisco, Calif. Director since 1964.



**Robert E. Mercer**

Chairman of the Board, Chief Executive Officer and Director, The Goodyear Tire & Rubber Company, Akron, Ohio. Director since 1984.



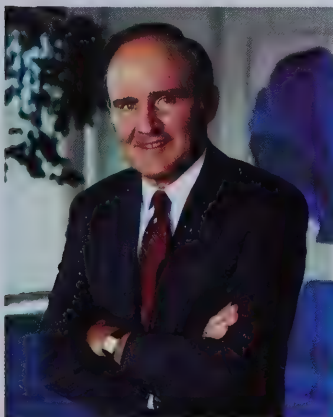
**Gertrude G. Michelson**

Senior Vice President — External Affairs, R. H. Macy & Co., Inc., retailers, New York, N.Y. Director since 1976.



**Barbara Scott Preiskel**

Attorney, New York, N.Y. Director since 1982.



**John F. Welch, Jr.**

Chairman of the Board, Chief Executive Officer and Director, General Electric Company, Fairfield, Conn. Director since 1980.



**Walter B. Wriston**

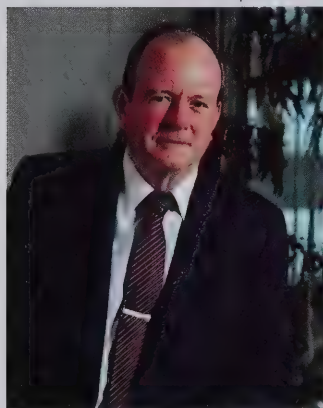
Retired Chairman of the Board and Director, Citicorp and Citibank, N.A., New York, N.Y. Director since 1962.

## Board of Directors, continued

Four new Directors — Lawrence A. Bossidy, Robert E. Mercer, Frank H. T. Rhodes and Andrew C. Sigler — were added to the Board of Directors of General Electric Company during 1984.

Mr. Bossidy, who joined GE in 1957 and most recently served as Executive Vice President of the Company's Services and Materials Sector, became a Vice Chairman of the Board and Executive Officer in August.

Mr. Mercer, who joined the Board in September, is Chairman and Chief Executive Officer of The Goodyear Tire & Rubber Company. Mr. Rhodes, President of Cornell University, became a Director in November. Mr. Sigler, elected a Director in April, is Chairman and Chief Executive Officer of Champion International Corporation.



John F. Burlingame (left), who had been a member of the Board since 1980, retired as Vice Chairman and Director at the end of the year. During his 37-year career with GE, Mr. Burlingame held a variety of management positions and played a key role in developing the Company's current labor relations and international strategies.

In addition, the Board will lose two members whose singular wisdom provided guidance to GE management for more than two decades. Ralph Lazarus and Edmund W. Littlefield will be retiring from the Board in April after 23 and 21 years of service, respectively. Mr. Littlefield's entrepreneurial spirit and business courage provided invaluable support for the Company's quest of an entrepreneurial atmosphere. Mr. Lazarus' unique feel for the consumer and his guidance as head of the Management Development and Compensation Committee were very significant contributions.

The Board was saddened by the death of George M. Low in July. Mr. Low, who was President of Rensselaer

Polytechnic Institute and the former head of the U.S. manned space program, brought to the Board his unique and valuable insights about humanity and technology — and, more importantly, how they fit together.

During 1984, the Board held 10 meetings. In addition to regular meetings, Directors participated on the following committees that aid the Board in its duties.

The *Audit Committee*, which met four times, reviewed the activities of the Company's independent public accountants (and their independence) and those of the internal audit staff. It also reviewed the Company's internal financial controls and compliance with key Company policies. This committee includes only Directors from outside the Company.

The *Finance Committee* examined the Company's financial position, its pension funding and trust operations, its foreign investments, the operations of General Electric Financial Services, Inc., and other matters involving large-scale utilization of Company funds. It met four times.

The *Management Development and Compensation Committee* met 10 times. It reviewed exempt salary structure and executive compensation programs and approved changes in GE's management.

The *Nominating Committee* held three meetings at which it reviewed candidates for the Board and recommended the committee structure and membership for the following year.

The *Operations Committee* held five meetings, including joint meetings with the Audit, Finance, and Technology and Science committees. Among its activities were reviews of Corporate Information Systems and General Electric Ceramics, Inc.

The *Public Responsibilities Committee*, at its two meetings, reviewed the activities of the General Electric Foundation and evaluated public issues that could have a major impact on GE.

The *Technology and Science Committee* held two meetings, both joint sessions with the Operations Committee. Its activities included a review of the Semiconductor Division.

## Committees of the Board

### Audit Committee

Richard T. Baker, Chairman  
Lawrence E. Fouraker  
Gertrude G. Michelson  
Barbara Scott Preiskel  
Lewis T. Preston

### Finance Committee

Edmund W. Littlefield, Chairman  
John F. Welch, Jr., Vice Chairman  
Charles D. Dickey, Jr.  
Henry H. Henley, Jr.  
Robert E. Mercer  
Frank H.T. Rhodes  
Walter B. Wriston

### Management Development and Compensation Committee

Ralph Lazarus, Chairman  
Silas S. Cathcart  
Henry H. Henley, Jr.  
Henry L. Hillman  
Walter B. Wriston

### Nominating Committee

Charles D. Dickey, Jr., Chairman  
Henry H. Henley, Jr.  
Ralph Lazarus  
Edmund W. Littlefield  
Gertrude G. Michelson

### Operations Committee

Henry L. Hillman, Chairman  
Lawrence A. Bossidy, Vice Chairman  
James G. Boswell II  
Silas S. Cathcart  
Gertrude G. Michelson  
Lewis T. Preston  
Andrew C. Sigler

### Public Responsibilities Committee

Henry H. Henley, Jr., Chairman  
John F. Welch, Jr., Vice Chairman  
Richard T. Baker  
Lawrence E. Fouraker  
Henry L. Hillman  
Ralph Lazarus  
Gertrude G. Michelson  
Barbara Scott Preiskel  
Andrew C. Sigler

### Technology and Science Committee

Frank H.T. Rhodes, Chairman  
Edward E. Hood, Jr., Vice Chairman  
James G. Boswell II  
Charles D. Dickey, Jr.  
Henry L. Hillman  
Edmund W. Littlefield  
Robert E. Mercer



# Management

(As of February 15, 1985)

## Corporate Executive Officers

**John F. Welch, Jr.**  
Chairman of the Board and  
Chief Executive Officer

**Lawrence A. Bossidy**  
Vice Chairman of the Board and  
Executive Officer

**Edward E. Hood, Jr.**  
Vice Chairman of the Board and  
Executive Officer

**Michael D. Lockhart**  
Corporate Executive Office  
Vice President

**Charles V. Sheehan**  
Corporate Executive Office  
Vice President

## Senior Corporate Officers



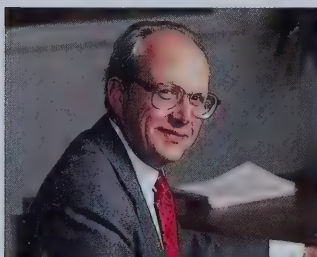
**Dennis D. Dammerman**  
Senior Vice President  
Finance



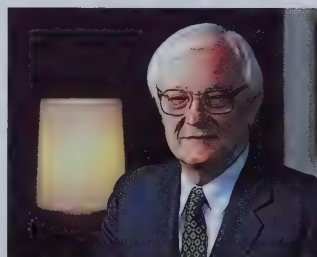
**Frank P. Doyle**  
Senior Vice President  
Corporate Relations



**Jack O. Peiffer**  
Senior Vice President  
Executive Management Staff



**Walter A. Schlotterbeck**  
Senior Vice President  
General Counsel and Secretary



**Roland W. Schmitt**  
Senior Vice President  
Corporate Research and  
Development

## Corporate Staff Officers

**Michael A. Carpenter**  
VP – Corporate Business  
Development and Planning

**Thomas R. Casey, M.D.**  
VP & Company Medical Director

**James J. Costello**  
VP & Comptroller

**Dale F. Frey**  
VP – Trust Investments

**Fred W. Garry**  
VP – Corporate Engineering  
and Manufacturing

**Joyce Hergenhan**  
VP – Corporate Public Relations

**Standley H. Hoch**  
VP & Treasurer

**Phillips S. Peter**  
VP – Corporate Government  
Relations

**Arthur V. Puccini**  
VP – Corporate Employee  
Relations

**Bruce O. Roberts**  
VP – Corporate Purchasing

**Edward J. Skiko**  
VP – Corporate Information  
Systems

**W. Roger Strelow**  
VP – Corporate Environmental  
Programs

**Leonard Vickers**  
VP – Corporate Marketing

**R. Howard Annin, Jr.**  
VP – Western Regional Relations

**Mark J. D'Arcangelo**  
VP – Northeastern Regional  
Relations

**William C. Lester**  
VP – East Central Regional  
Relations

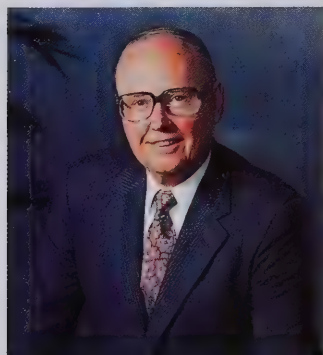
**Iver J. Petersen**  
VP – Central Regional Relations

**Cecil S. Semple**  
VP – Corporate Customer  
Relations

# Operating Management

(As of February 15, 1985)

## Industrial Systems Sector



**James A. Baker**  
Executive Vice President and  
Sector Executive  
Industrial Systems Sector



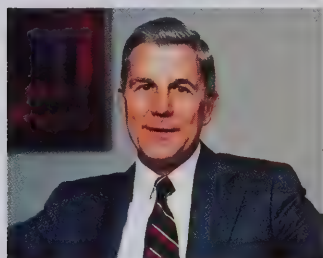
**Carl J. Schlemmer**  
VP & General Manager  
Transportation Systems  
Operations

**William J. Cimonetti**  
VP & General Manager  
Transportation Systems  
Headquarters Marketing Division

**John C. Dwyer**  
VP & General Manager  
Transportation Systems Marketing  
and Sales Division

**Marcel P. Joseph**  
VP & General Manager  
Transportation Products Division

**Donald K. Grierson**  
Senior Vice President  
Business Development



**James E. Dykes**  
VP & General Manager  
Semiconductor Division

**John W. Perdiue**  
VP & General Manager  
General Electric Supply Company  
Division

**Marion S. Richardson**  
VP & General Manager  
Factory Automation Products  
Division

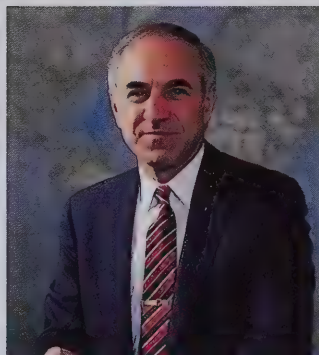
**Van W. Williams**  
Senior VP & Group Executive  
Motor Group

**Roger D. Morey**  
VP & General Manager  
Motor Marketing Division

**John D. Opie**  
VP & General Manager  
Construction Equipment Operations

**David M. Engelman**  
VP & General Manager  
Construction Equipment Sales  
Division

## Power Systems Sector



**Louis V. Tomasetti**  
Executive Vice President and  
Sector Executive  
Power Systems Sector



**James R. Birle**  
Senior VP & Group Executive  
Construction and Engineering  
Services Group

**Robert T. Bruce**  
VP - Special Studies

**Clyde D. Keaton**  
VP & General Manager  
Domestic Apparatus and  
Engineering Services Division

**J. Richard Stonesifer**  
VP & General Manager  
International Construction and  
Engineering Services Division

**Giorgio Orsi**  
Managing Director  
SADE/SADELM Construction  
Operations



**George B. Cox**  
Senior VP & Group Executive  
Turbine Group

**George W. Sarney**  
VP & General Manager  
Gas Turbine Division

**Warren H. Bruggeman**  
VP & General Manager  
Nuclear Energy Operations

**Henry E. Stone**  
VP & Chief Engineer

**Bertram Wolfe**  
VP & General Manager  
Nuclear Technologies and Fuel  
Division

**Eugene J. Kovarik**  
VP & General Manager  
Power Delivery Division

**Henry J. Singer**  
VP & General Manager  
Industrial Sales Division

**Edward W. Springer**  
VP & General Manager  
Electric Utility Sales Division



## Consumer Products Sector



**Paul W. Van Orden**  
Executive Vice President and  
Sector Executive  
Consumer Products Sector



**Ralph D. Ketchum**  
Senior VP & Group Executive  
Lighting Group

**Eugene F. Apple**  
VP & General Manager  
Lamp Components and Technical  
Products Division

**Gary L. Rogers**  
VP & General Manager  
Lamp Products Division

**Thomas L. Williams**  
VP & General Manager  
Lighting Systems Products Division



**Roger W. Schipke**  
Senior VP & Group Executive  
Major Appliance Group

**Philip J. Drieci**  
VP & General Manager  
Major Appliance Marketing,  
Sales and Service Operations

**Bruce A. Enders**  
VP & General Manager  
Major Appliance  
Marketing Division

**Stephen J. O'Brien**  
VP & General Manager  
Major Appliance Sales and  
Service Division

**Richard L. Burke**  
VP & General Manager  
Major Appliance Production  
Division

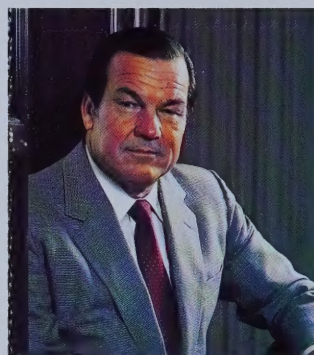
**John C. Truscott**  
VP & General Manager  
Major Appliance Technology  
Division

**Jacques A. Robinson**  
VP & General Manager  
Consumer Electronics Operations

**John M. Trani**  
VP & General Manager  
Mobile Communications Division

**Walter E. Weyler**  
VP – Special Assignment

## International Sector



**John A. Urquhart**  
Executive Vice President and  
Sector Executive  
International Sector

**George J. Stathakis**  
VP & General Manager  
International Trading Operations  
and President and Chief  
Executive Officer  
General Electric Trading Company

**Paolo Fresco**  
VP & General Manager  
Europe and Africa Operations

**Delbert L. Williamson**  
VP & General Manager  
Middle East/Africa Business  
Development Division

**Rodger E. Farrell**  
VP & General Manager  
Andean Countries Division

**Frank D. Kittredge**  
VP & General Manager  
Asia Pacific Division

**William R. C. Blundell**  
Chairman of the Board and  
Chief Executive Officer  
Canadian General Electric  
Company Limited (CGE)

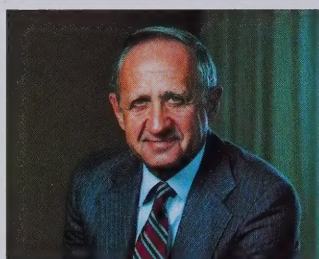
**Robert T. E. Gillespie**  
Executive Vice President  
CGE Operations

**Jurgen F. Niffka**  
Chairman of the Board and  
Chief Executive Officer  
General Electric do Brasil S.A.

**Paul H. Way**  
Chairman of the Board and  
Chief Executive Officer  
General Electric de Mexico, S.A.  
de C.V.



## Engineered Materials Group



**Charles R. Carson**  
Senior VP & Group Executive  
Engineered Materials Group

**Thomas H. Fitzgerald**  
VP & General Manager  
Silicone Products Division

## Aerospace Group



**George B. Farnsworth**  
Senior VP & Group Executive  
Aerospace Group

**Nicholas Boraski**  
VP & General Manager  
Ordnance Systems Division

**Russell L. Noll, Jr.**  
VP & General Manager  
Avionic and Electronic  
Systems Division

**Allan J. Rosenberg**  
VP & General Manager  
Space Systems Division

**Ladislav W. Warzecha**  
VP & General Manager  
Defense Systems Division

## Plastics Group



**Glen H. Hiner**  
Senior VP & Group Executive  
Plastics Group

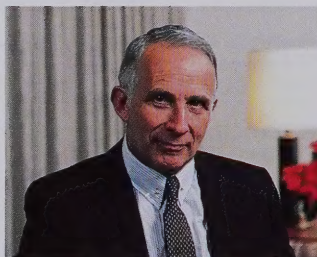
**Paul L. Dawson**  
Chairman of the Board and  
Chief Executive Officer  
General Electric Plastics B.V.

**Philip M. Gross**  
VP & General Manager  
Noryl Products Division

**Herbert G. Rammrath**  
VP & General Manager  
Plastics Sales Division

**Uwe S. Wascher**  
VP & General Manager  
Lexan Products Division

## Medical Systems Group

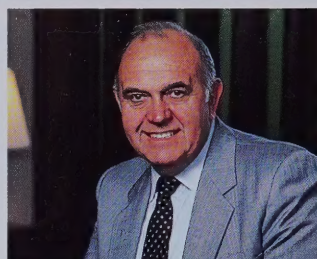


**Walter L. Robb**  
Senior VP & Group Executive  
Medical Systems Group

**Francis J. Schilling**  
VP & General Manager  
Medical Systems Product  
Management Division

**Robert L. Stocking**  
VP & General Manager  
Medical Systems Sales and  
Service Division

## Aircraft Engine Group



**Brian H. Rowe**  
Senior VP & Group Executive  
Aircraft Engine Group

**Robert C. Hawkins**  
VP & General Manager  
Lynn Aircraft Engine Product  
Operations

**William J. Crawford III**  
VP & General Manager  
Lynn Engine Projects Division

**Frank E. Pickering**  
VP & General Manager  
Lynn Production Division

**Harry C. Stonecipher**  
VP & General Manager  
Evendale Aircraft Engine  
Product Operations

**Edward C. Bavaria**  
VP & General Manager  
Airline Marketing Division

**Lee Kapor**  
VP & General Manager  
Commercial Engine Projects  
Division

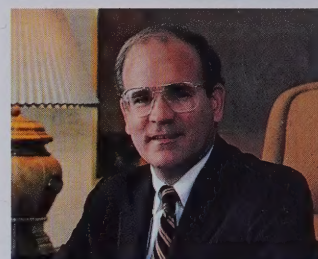
**W. George Krall**  
VP & General Manager  
Evendale Production Division

**Robert J. Smuland**  
VP & General Manager  
Marine and Industrial Engines  
and Service Division

**George H. Ward**  
VP & General Manager  
Military Engine Projects  
Division

**James N. Krebs**  
VP - Technology and  
Management Assessment

## General Electric Financial Services



**Robert C. Wright**  
President and  
Chief Executive Officer  
General Electric Financial Services,  
Inc. and General Electric Credit  
Corporation (GECC)

**Leo A. Halloran**  
Senior VP - Finance

**Gary C. Wendt**  
Executive VP  
GECC Financing Operations

**Michael S. Blum**  
Senior VP & General Manager  
GECC Real Estate Financial  
Services Division

**Dan L. Hale**  
Senior VP & General Manager  
GECC Commercial Financing  
Division

**Bernard P. Long**  
Senior VP & General Manager  
GECC Distribution Sales  
Financing Division

**James H. Ozanne**  
Senior VP & General Manager  
GECC Transportation and  
Industrial Financing Division

**Michael G. Fitt**  
President and  
Chief Executive Officer  
Employers Reinsurance Corporation

## Calma Company

**Daniel W. McGlaughlin**  
President  
Calma Company

## Ladd Petroleum

**John H. Moore**  
President  
Ladd Petroleum Corporation

## General Electric Information Services

**Walter W. Williams**  
President  
General Electric Information  
Services Company



# Share Owner Information

## Quarterly dividend and stock market information

	Dividends declared		Common stock market price range	
	1984	1983	1984	1983
First quarter	50.0¢	42.5¢	\$59 - 48¾	\$55½ - 45¾
Second quarter	50.0	47.5	56¾ - 50½	57¾ - 51¾
Third quarter	50.0	47.5	59¾ - 48¼	55 - 46
Fourth quarter	55.0	50.0	58¾ - 53	58¾ - 50¾

Per-share amounts were adjusted for the 2-for-1 stock split in April 1983.

The New York Stock Exchange is the principal market on which GE common stock is traded. As of December 6, 1984, there were about 511,000 share owners of record.

### Dividend Reinvestment Plan

GE share owners who have one or more shares of Company stock registered in their own name(s) are eligible to participate in the GE Dividend Reinvestment and Share Purchase Plan. For an Authorization Form and a Prospectus describing the Plan, write to: Securities Ownership Records, General Electric Company, P.O. Box 206, Schenectady, N.Y. 12301.

### Form 10-K and other supplemental information

The financial information in this Report, in the opinion of management, substantially conforms with or exceeds the information required in the "10-K Report" to be submitted to the Securities and Exchange Commission at the end of

March. Certain supplemental information is in that report, however, and copies without exhibits will be available, without charge, on or about April 15, from: *Corporate Investor Communications, General Electric Company, Fairfield, Conn. 06431.*

Copies of the General Electric Pension Plan, the Summary Annual Report for GE employee benefit plans subject to the Employee Retirement Income Security Act of 1974, and other GE employee benefit plan documents and information are available by writing to Corporate Investor Communications and specifying the information desired.

The Annual Report of the General Electric Foundation also is available on request.

### Transfer Agent

General Electric Company  
Securities Transfer Operation  
FDR Station  
P.O. Box 5339  
New York, N.Y. 10150

### Registrar


Morgan Guaranty Trust  
Company of New York  
Stock Transfer Department  
30 West Broadway  
New York, N.Y. 10015

### Annual Meeting

The 1985 Annual Meeting of the General Electric Company will be held on Wednesday, April 24, at the Raleigh Memorial Auditorium in Raleigh, N.C.

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**Note:** Unless otherwise indicated by the context, the terms "GE," "General Electric" and "Company" are used on the basis of consolidation described on page 38. Unless otherwise indicated by the context, the terms "Utah" and "Utah International" mean Utah International Inc., as well as all of its "affiliates" and "associated companies" as those terms are used on page 38.

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**GENERAL  ELECTRIC**

Annual Report 1984

General Electric Company  
Fairfield, Connecticut 06431

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